

1 UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 - - -

5 IN RE: NATIONAL :
PRESCRIPTION : MDL No. 2804
6 OPIATE LITIGATION :
_____ : Case No.
7 : 1:17-MD-2804
THIS DOCUMENT RELATES :
8 TO ALL CASES : Hon. Dan A. Polster

9 - - -

10 HIGHLY CONFIDENTIAL
11 SUBJECT TO FURTHER CONFIDENTIALITY REVIEW
12

13 - - -

14 Videotaped deposition of LAURIE A. ZACCARO,
15 held at the offices of Buckley King, 1400 Fifth
16 Third Center, 600 Superior Avenue East, Cleveland,
17 Ohio 44114, on Wednesday, January 16, 2019,
18 commencing at 8:58 a.m., before Carol A. Kirk,
19 Registered Merit Reporter and Notary Public.

20 - - -

21 - - -

22
23 GOLKOW LITIGATION SERVICES
877.370.3377 ph | 917.591.5672 fax
24 deps@golkow.com

1 A P P E A R A N C E S:

2 On behalf of the Plaintiffs:

3 LEVIN PAPANTONIO THOMAS MITCHELL
RAFFERTY & PROCTOR P.A.

4 BY: JEFF GADDY, ESQUIRE
jgaddy@levinlaw.com

5 LAURA DUNNING, ESQUIRE
ldunning@levinlaw.com

6 (via teleconference and live stream)

316 South Baylen Street, Suite 600
7 Pensacola, Florida 32591
205-435-7000

8

9 On behalf of Walgreens:

10 BARTLIT BECK LLP

BY: MARK L. LEVINE, ESQUIRE
11 mark.levine@bartlitbeck.com

54 West Hubbard Street
12 Chicago, Illinois 60654
312-494-4400

13

14 On behalf of Cardinal Health, Inc.:

15 PORTER WRIGHT MORRIS & ARTHUR LLP

BY: JILL G. OKUN, ESQUIRE
16 jokun@porterwright.com

950 Main Avenue, Suite 500
17 Cleveland, Ohio 44113
216-443-9000

18

19 On behalf of AmerisourceBergen Corporation:

20 JACKSON KELLY PLLC

BY: ANDREW N. SCHOCK, ESQUIRE
21 anschock@jacksonkelly.com

50 South Main Street, Suite 201
22 Akron, Ohio 44308
330-252-9060

23

24

1 On behalf of Walmart:

2 JONES DAY

BY: KRISTIN S.M. MORRISON, ESQUIRE

3 kmorrison@jonesday.com

901 Lakeside Avenue East

4 Cleveland, Ohio 44114

216-586-3939

5

6 On behalf of Endo Pharmaceuticals, Inc.,
Endo Health Solutions, Inc., and Par Pharmaceutical
7 Companies, Inc.:

8 ARNOLD & PORTER KAYE SCHOLER, LLP

BY: ZENO HOUSTON, ESQUIRE

9 zeno.houston@arnoldporter.com

(via videoconference and live stream)

10 250 West 55th Street

New York, New York 10019

11 212-836-8000

12

13

14 ALSO PRESENT:

15 Katie Mayo, Levin Papantonio

Rick Christian, Trial Technician

16 Frank Stanek, Videographer

17

18

19

20

21

22

23

24

1	VIDEOTAPED DEPOSITION OF LAURIE A. ZACCARO	
2	INDEX TO EXAMINATION	
3	WITNESS	PAGE
4	LAURIE A. ZACCARO	
5	CROSS-EXAMINATION BY MR. GADDY:	10
	REDIRECT EXAMINATION BY MR. LEVINE	265
6	RECROSS-EXAMINATION BY MR. GADDY:	277
	FURTHER REDIRECT EXAMINATION BY MR. LEVINE:	283
7	FURTHER RECROSS-EXAMINATION BY MR. GADDY:	284
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		

1	VIDEOTAPED DEPOSITION OF LAURIE A. ZACCARO		
2	INDEX TO EXHIBITS		
3	WALGREENS-ZACCARO	DESCRIPTION	PAGE
4	Walgreens-Zaccaro 1	Resume of Laurie A. Zaccaro, P-WAG-02414 through 02414	23
5			
6	Walgreens-Zaccaro 2	E-mail to Store Mgr. 04202 from Ms. Zaccaro, dated 4/22/2010, Bates-stamped WAGMDL00700993	42
7			
8			
9	Walgreens-Zaccaro 3	E-mail chain ending with an e-mail to Ms. Zaccaro from Store RxM 03310, dated 8/9/2012, Bates-stamped WAGMDL00700314 through 700315	65
10			
11			
12	Walgreens-Zaccaro 4	E-mail chain ending with an e-mail to Ms. Zaccaro from Mr. Soder, dated 8/10/2012, Bates-stamped WAGMDL00700311 and 700312	73
13			
14			
15	Walgreens-Zaccaro 5	E-mail chain to Messrs. Soder and Lucchetti from Ms. Zaccaro, dated 10/10/11, Bates-stamped WAGMDL00700974 and 700975	75
16			
17			
18	Walgreens-Zaccaro 6	HathiTrust document, Bates-stamped P-GEN-0047	82
19			
20	Walgreens-Zaccaro 7	E-mail chain ending with an e-mail to Ms. Foster from Ms. Zaccaro, dated 4/9/2013, with attachment, Bates-stamped WAGMDL00674545 through 674549	101
21			
22			
23			
24			

1	INDEX TO EXHIBITS (CONT'D)		
2	WALGREENS-ZACCARO	DESCRIPTION	PAGE
3	Walgreens-Zaccaro 8	E-mail chain ending with an e-mail to Ms. Zaccaro from Mr. Mormello, dated 7/10/2013, Bates-stamped WAGMDL007000032 through 70060	115
4			
5			
6	Walgreens-Zaccaro 9	E-mail from Mail Rx, dated 6/11/2012, with attachment, Bates-stamped WAGMDL00742641 through 742671	129
7			
8			
9	Walgreens-Zaccaro 10	Organizational chart for the Loss Prevention Department, Bates-stamped WAGMDL00387633 and 387634	143
10			
11	Walgreens-Zaccaro 11	E-mail to Mr. Lemmons from Mr. Amos, dated 1/18/2011, with attachment, Bates-stamped WAGFLDEA00000867 through 871	165
12			
13			
14			
15	Walgreens-Zaccaro 12	E-mail chain ending with an e-mail from Ms. Zaccaro, dated 6/21/2012, Bates-stamped WAGMDL00700940 through 700942	171
16			
17			
18	Walgreens-Zaccaro 13	E-mail chain ending with an e-mail from Ms. Zaccaro, dated 7/11/2007, Bates-stamped WAGMDL00701013 through 701016	185
19			
20			
21			
22	Walgreens-Zaccaro 14	Document titled "Intercepted/ Suspicious Store Orders, Bates-stamped WAGMDL00491863	199
23			
24			

1	INDEX TO EXHIBITS (CONT'D)		
2	WALGREENS-ZACCARO	DESCRIPTION	PAGE
3	Walgreens-Zaccaro 15	Documents Bates-stamped	205
		WAGMDL00674562 through	
4		674575	
5	Walgreens-Zaccaro 16	E-mail to Loss Prevention	212
		Operations from	
6		Mr. Jones, dated	
		12/31/2012, Bates-stamped	
7		WAGMDL00700240 through	
		700241	
8			
	Walgreens-Zaccaro 17	E-mail chain ending with	219
9		an e-mail to Ms. Bish	
		from Ms Diebert, dated	
10		3/25/2013, Bates-stamped	
		WAGMDL00092708 through	
11		92709	
12	Walgreens-Zaccaro 18	E-mail chain ending with	228
		an e-mail to Mr. Soder	
13		from Mr. Mills, dated	
		8/14/2013, Bates-stamped	
14		WAGMDL00095568 and 95569	
15	Walgreens-Zaccaro 19	Spreadsheet Bates-stamped	235
		WAGMDL00400358	
16			
	Walgreens-Zaccaro 20	U.S. Department of	241
17		Justice/Drug Enforcement	
		Administration Subpoena,	
18		Bates-stamped	
		WAGMDL0093694 through	
19		493718	
20	Walgreens-Zaccaro 21	E-mail to Loss Prevention	243
		Operations from	
21		Mr. Svihra, dated	
		2/8/2013, Bates-stamped	
22		WAGMDL00700236 and 700237	
23			
24			

1	INDEX TO EXHIBIT (CONT'D)		
2	WALGREENS-ZACCARO	DESCRIPTION	PAGE
3	Walgreens-Zaccaro 22	Document titled "DLPM	249
		Goal Performance Rating	
4		Guidelines," Bates-	
		stamped WAGMDL00709450	
5		through 709469	
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			

1 - - -

2 P R O C E E D I N G S

3 - - -

4 THE VIDEOGRAPHER: We are now on
5 the record. My name is Frank Stanek. I
6 am a videographer for Golkow Litigation
7 Services. Today's date is January 16,
8 2019, and the time is 8:58 a.m.

9 This video deposition is being
10 held in Cleveland, Ohio in re of
11 National Prescription Opiate Litigation
12 for the United States District Court for
13 the Northern District of Ohio, Eastern
14 Division.

15 The deponent is Laurie Zaccaro.

16 Will counsel please identify
17 themselves for the record.

18 MR. GADDY: Jeff Gaddy with Levin
19 Papantonio for the Plaintiffs.

20 MR. LEVINE: Mark Levine on behalf
21 of Walgreens and the witness.

22 MS. MORRISON: Kristin Morrison
23 from Jones Day on behalf of Walmart.

24 THE COURT REPORTER: Is there

1 anyone on the phone?

2 THE VIDEOGRAPHER: And the court

3 reporter is Carol Kirk and will now

4 swear in the witness.

5 - - -

6 LAURIE A. ZACCARO

7 being by me first duly sworn, as hereinafter

8 certified, deposes and says as follows:

9 CROSS-EXAMINATION

10 BY MR. GADDY:

11 Q. Good morning, Ms. Zaccaro.

12 A. Good morning.

13 Q. Could you state your name for us,
14 please.

15 A. Laurie Zaccaro.

16 Q. And you work at Walgreens,
17 correct?

18 A. Yes, I do.

19 Q. Okay. How long have you been with
20 Walgreens?

21 A. Twelve years.

22 Q. As a function of your job with
23 Walgreens, have you ever had to give testimony
24 like this before?

1 A. Yes.

2 Q. Okay. In a deposition context or
3 trial or both?

4 A. Deposition.

5 Q. Okay. In what context was that?

6 A. It was with regards to safety and
7 security concerns in an outside parking lot of
8 one of our inner city stores.

9 Q. Okay. Did it involve some lawsuit
10 that was filed against Walgreens?

11 A. Yes.

12 Q. Okay. Did that case ever go to
13 trial that you know of?

14 A. I'm unaware.

15 Q. Okay. Outside of that, have there
16 been any other occasions in which you've given a
17 deposition before?

18 A. No.

19 Q. Okay. In the course of your work
20 with Walgreens, have you ever had the occasion
21 to testify at trial?

22 A. No, I have not.

23 Q. Okay. In the course of your work
24 with Walgreens, have you ever had the

1 opportunity to meet with or work with any law
2 enforcement?

3 A. Yes.

4 Q. Okay. Can you kind of describe
5 for me the circumstances generally in which that
6 would have occurred, and then maybe we can
7 follow up with some specifics.

8 A. With law enforcement, I support
9 external investigations that they may be working
10 on. And I also do ex- -- I'm -- like support
11 with DEA drug backs and take-backs and law
12 enforcement in community events.

13 Q. Okay. So I guess one thing I
14 should make clear is, you work in loss
15 prevention, correct?

16 A. Correct. I'm an asset protection
17 manager.

18 Q. Okay. And has that been your
19 title the entire 12 years you've been at
20 Walgreens?

21 A. Yes, it has.

22 Q. Okay. I see references within
23 some of the documents that I've looked at to
24 district loss prevention managers or regional

1 loss prevention managers.

2 How does -- where does asset
3 protection manager fall within there?

4 A. Since my position with the
5 company, our titles have changed --

6 Q. Okay.

7 A. -- a handful of times from loss
8 prevention supervisor, district loss prevention
9 manager, asset protection managers. All of our
10 responsibilities have always stayed the same.
11 Our titles have changed more than once, though.

12 Q. Okay. During your 12 years at
13 Walgreens, has the amount of responsibilities
14 that you have changed, as far as the number of
15 stores or the number of people that you're in
16 charge of?

17 A. Yes.

18 Q. Okay. Kind of walk me through
19 that progression, if you don't mind.

20 A. When I first started with the
21 company, we were in larger districts where I had
22 one district of -- if I remember correctly, 26
23 or 27 stores. In the last few years, there have
24 been some realigning with districts and sizes.

1 Now the districts average anywhere
2 from 12 to 18 stores in a district. And I'm
3 responsible for four districts currently and
4 have been for at least the last three years,
5 three or four years, I believe.

6 Q. Okay. Okay. So you started with
7 Walgreens approximately 2006; would that be
8 right?

9 A. December 29, 2006. Very end of
10 the year, yes.

11 Q. Okay. So from 2006 until how
12 long, until what year, would you say you had
13 about one district and 26 to 27 stores?

14 A. The first eight years, eight or
15 nine. We realigned our districts and did the
16 shifting in the last -- it was three or four
17 years. I can't remember.

18 Q. Okay. So from '06 through
19 approximately 2013, 2014?

20 A. Yes.

21 Q. And when you -- in 2013, 2014 when
22 you began to oversee four districts, was that a
23 promotion, or was that just a realignment?

24 A. It was just realignment.

1 Q. Okay. And what areas do you -- do
2 your stores cover? And I guess first tell me
3 from '06 to the '13 and '14 range and then post
4 then.

5 A. From '06 to the '13-'14 range, I
6 was in the Cleveland West district, which
7 covered -- I don't know how familiar you are
8 with Cleveland, but to the north along the Lake
9 and to west as far as Norwalk, which is almost
10 the central, northern part of Ohio, so -- and
11 then after that, once we shifted to multiple
12 districts, I now cover the north part of
13 Cleveland, the south part of Cleveland
14 currently, and then the north and south part of
15 Columbus.

16 Q. Okay. Is there a Walgreens office
17 that you work out of here in Cleveland?

18 A. There is an area office located in
19 Warrensville Heights, Ohio.

20 Q. Okay. About how many folks are in
21 that office?

22 A. Maybe -- well, we have five
23 districts, our director, our healthcare
24 supervisor and two admins. So each district

1 manager, five, six, seven, eight, nine -- ten or
2 eleven of us.

3 Q. Is it primarily loss prevention
4 folks in that office?

5 A. No, sir, it is not.

6 Q. Okay. Okay. So your current
7 territory includes Cleveland, it also includes
8 some areas of Columbus?

9 A. Correct.

10 Q. And was there another city that I
11 missed?

12 A. Cities down through between --
13 there's Mansfield is -- I go to Mansfield
14 locations and the suburbs, a lot of suburb
15 municipalities.

16 Q. Okay. Let me see if I can go back
17 to where I started originally and then I got
18 sidetracked. But I was asking you about meeting
19 with law enforcement.

20 A. Yes.

21 Q. Tell me what agencies -- and let
22 me first focus on the -- more the enforcement
23 side.

24 A. Okay.

1 Q. And then we can talk about the
2 community involvement side.

3 A. Okay.

4 Q. So as it relates to enforcement,
5 what agencies have you had the occasion to work
6 with during the course of your time at
7 Walgreens?

8 A. Ohio Board of Pharmacy primarily.
9 And then I -- with matters with external law
10 enforcement support, it varies. It depends on
11 what they might reach out to us for. It could
12 be identity theft. It could be prescription
13 doctor shopping with customers. It could be
14 with doctors and prescriptions, and I'm -- my
15 involvement with that is primarily getting them
16 the evidence that is subpoenaed for matters that
17 they're investigating.

18 Q. Okay. So --

19 A. It could be video. It could be
20 documents.

21 Q. -- is that primarily -- is that
22 generally with local law enforcement or is that
23 federal agencies or both?

24 A. Primarily that's with Ohio Board

1 of Pharmacy, with their investigators.

2 Q. Okay. Well, does the Ohio Board
3 of Pharmacy investigate the identity theft type
4 crimes that you were talking about?

5 A. No. That's more your local law
6 enforcement, but I don't have as many of those
7 as I do with the Board of Pharmacy.

8 Q. What's your typical case with the
9 Board of Pharmacy?

10 A. Theft.

11 Q. Of what?

12 A. Drugs.

13 Q. Okay.

14 A. They work with our pharmacy. I do
15 investigations on the front end merchandise of
16 the stores with cash, cigarettes, merchandise.
17 I conduct those investigations myself. But when
18 it's matters with anything with the pharmacy, we
19 notify the board and we work with the
20 investigators for pharmacy.

21 Q. Okay. So -- excuse me. Okay. So
22 just so we're clear, front end of the store is
23 everything that's not prescription drugs?

24 A. Correct.

1 Q. Is that fair?

2 A. Correct.

3 Q. Okay. And so anything that's
4 behind the counter that requires a prescription
5 would be something that's investigated by the
6 Board of Pharmacy?

7 A. Yes.

8 Q. Okay. And do you work with the
9 Board of Pharmacy, or is it more you supplying
10 them information? Do they have their own
11 investigators?

12 A. It varies. I work with them, with
13 the internal things that they can't do that's
14 there, like once we put -- once we alert them,
15 notify them, we talk about where our confirmed
16 losses are, and then they will either do what
17 camera and video they need to put in place or I
18 may shift around -- if it's Walgreens cameras
19 that are being used, I will review that video.
20 They will review their own video. It's in
21 connection together, really, the investigations
22 are.

23 Q. Okay. Have you worked with the
24 Board of Pharmacy on these types of issues your

1 entire 12 years at Walgreens?

2 A. Yes, I have.

3 Q. Okay. Okay. I want -- and then
4 the other issue that you brought up was your
5 work with law enforcement in the community
6 setting, correct?

7 A. Correct.

8 Q. Okay. And I know you've been
9 in -- I think you've told us you've been
10 involved in some of the drug take-back days that
11 the DEA puts on?

12 A. Yes.

13 Q. Okay. Anything else in that
14 regard?

15 A. No.

16 Q. Okay. Have you had any other
17 occasion other than those community events to
18 work with the DEA?

19 A. I believe in the past there was a
20 meeting that they've done with Walgreens, with
21 compliance and making sure proper processes are
22 followed and procedures are followed with the
23 reporting and just making sure that we're all
24 working together on that. There has -- I'm

1 going back and I'm vaguely remembering, but I've
2 had interactions with them for meetings, but
3 nothing with investigations --

4 Q. Okay. Do you recall --

5 A. -- that I can recall.

6 Q. Excuse me. And I'm sorry for
7 interrupting you.

8 A. That's okay.

9 Q. Do you recall attending any
10 meetings with the DEA?

11 A. I believe there was at least one
12 that I can recall that they were at our office,
13 and it was more about the processes of
14 reporting, more informative.

15 Q. Processes of reporting what?

16 A. Reporting losses, reporting if
17 there is fraudulent prescriptions and a process
18 they wanted us to follow, which I wouldn't be
19 involved in that. That would have been with
20 pharmacists to follow, but they give the
21 information to us, and our pharmacy supervisors
22 would have been there to then inform our
23 pharmacy managers and cascade that, making sure
24 that they're aware of the processes and

1 following the processes.

2 Q. Okay. And this kind of segues
3 into what I'm wanting to get into next, because
4 I want to make sure I kind of have an
5 understanding of exactly what your role is and
6 what your duties are.

7 Do you recall approximately when
8 that DEA meeting was?

9 A. No, I don't. It's been several
10 years.

11 Q. Okay. More than three years ago?

12 A. Yes.

13 Q. Okay. More than five years ago?

14 A. Maybe.

15 Q. Okay.

16 A. I don't know.

17 Q. Okay. And what I think I heard
18 you just say is that some of the topics that you
19 remember from that meeting involved reporting
20 thefts of prescription drugs to the DEA,
21 correct?

22 A. That is my area of work. I do
23 theft and losses.

24 Q. Okay. And -- okay. And the other

1 area that I think I heard you say was covered in
2 that meeting would have been identifying
3 fraudulent prescriptions?

4 A. I believe. I can't remember what
5 the agenda was. I know it was an informative
6 meeting of the DEA outlining processes for -- if
7 I recall correctly. It had a lot to do with --
8 there was a time I believe -- and I'm vaguely
9 remembering -- of how they wanted us to -- or
10 how they wanted the pharmacists, rather, to
11 report suspicion with fraudulent prescriptions
12 and notifications.

13 Q. That issue that you just said, the
14 pharmacists reporting suspicion with fraudulent
15 prescriptions, does that fall under your
16 purview?

17 A. No, it does not.

18 - - -

19 (Walgreens-Zaccaro Exhibit 1 marked.)

20 - - -

21 Q. Okay. I'm going to show you what
22 I've marked as Exhibit Number 1. This is a
23 resumé and a partial personnel file that was
24 provided to me.

1 Do you recognize that?

2 MR. GADDY: This is P-WAG-2414.

3 A. Yes. This is my past reviews.

4 Q. Okay. And I'm going to primarily
5 focus on the resumé that's on front right now.

6 Do you have any idea how up to date this is?

7 A. This was updated -- it's been
8 quite some time. I haven't done anything with
9 my resumé in a few years.

10 Q. Okay. So it looks like you have a
11 little bit of a history in law enforcement?

12 A. I do.

13 Q. Okay.

14 A. Yes.

15 Q. Just kind of walk me through, if
16 you don't mind, your history in law enforcement
17 and what you did before you got with Walgreens.

18 A. So prior to Walgreens, I was a
19 parole officer for the State of Ohio for
20 approximately six years. Prior to that, I was a
21 criminal bailiff for Lucas County probation,
22 which is a felony court, and I did that for a
23 couple years.

24 Prior to being a bailiff, I was

1 with the Women's Resource Center in Northern
2 Michigan for about 18 months, I believe, where I
3 was an advocate for victims of domestic abuse,
4 assisting them through the criminal justice
5 system as victims. And prior to that, I was a
6 probation officer with Lucas County adult
7 probation for Common Pleas Courts there.

8 Q. Okay. The most recent stint that
9 you spent as a parole officer, where was that?

10 A. Summit County --

11 Q. Okay.

12 A. -- which is Akron area.

13 Q. Okay. And you did that, it looks
14 like, for about six or seven years?

15 A. Correct.

16 Q. And just kind of generally what
17 were your job duties in that role?

18 A. I supervised parolees coming out
19 of institutions for criminal offenses, managed
20 them, making sure that they were referred to
21 where they needed to do -- be for treatment,
22 maintaining work, approved housing wherever they
23 were residing.

24 Q. Okay. Did that involve -- would

1 these folks be on a probation type situation
2 where they had conditions that they had to meet?

3 A. Yes.

4 Q. Okay. And you would be in charge
5 of making sure they met those conditions?

6 A. Yes.

7 Q. Okay. And examples of those types
8 of conditions would be restrictions on housing
9 and where they could live?

10 A. Yes.

11 Q. Would there be drug use or drug
12 testing type restrictions?

13 A. Yes. It could be drug. It could
14 be anger management, depending on the nature of
15 their crimes that sent them to prison.

16 Q. Okay. What types of offenders did
17 you supervise?

18 A. Anything from thieves to
19 murderers.

20 Q. Okay.

21 A. We had a sex offender unit. So I
22 was not in the sex offender unit. Mine was more
23 robberies, burglaries, assaults, murders.

24 Q. Okay. Did you have drug offenders

1 that you supervised?

2 A. Yes. I'm sorry. I did have drug
3 offenders as well.

4 Q. Okay. And as far as any component
5 of supervision that required drug testing, how
6 did that work?

7 A. We had drug testing in our office,
8 and any time any offenders would come in for
9 drug testing or any time they would come in for
10 office visits, I would drug test them. It was
11 random. We had ability to test out in the
12 fields when we were doing their visits in home.
13 I never did that personally.

14 Q. Okay. If there were --

15 MR. HOUSTON: I'm sorry. I
16 apologize for the interruption. I just
17 wanted to state my appearance on the
18 record.

19 THE COURT REPORTER: Sorry.
20 You're going to have to speak up.

21 MR. GADDY: A little bit louder,
22 please. A little bit louder, please.

23 MR. HOUSTON: I'm sorry. This
24 is -- yeah. I just wanted to state my

1 appearance on the record. I apologize
2 for the late arrival. This is Zeno
3 Houston from Arnold & Porter on behalf
4 of the Endo and Par Defendants.

5 BY MR. GADDY:

6 Q. From time to time would your job
7 duties as a parole officer require you to issue
8 violation reports for people that you were
9 supervising?

10 A. Yes.

11 Q. Okay. What were the types of
12 things that could cause individuals to violate
13 their parole?

14 A. New criminal offenses. It could
15 be non-compliance with their drug and alcohol
16 treatment or any anger management counseling
17 that they're participating in. It could be
18 because they moved without an approved address,
19 we have to go -- we would have to have gone and
20 inspect the homes and make sure they were
21 approved.

22 It could be -- if there was
23 restitution, if they had to pay restitution and
24 they weren't paying restitution. It could be

1 whatever their conditions were that they were
2 non-compliant with.

3 Q. During your time as a parole
4 officer, did you have individuals that you
5 supervised that you saw struggle with drug abuse
6 or drug addiction?

7 A. Yes.

8 Q. Okay. Was that a common
9 occurrence amongst folks that you supervised?

10 A. I don't know how you would define
11 "common." Did it happen? Yes. Did it happen
12 enough? Yes. Some came out, and some got it
13 right. Some did not.

14 Q. Okay. During your time as a
15 parole officer, did you supervise individuals
16 who struggled with the use or abuse or addiction
17 to opioids?

18 A. Yes. But in that time, it was
19 more meth, the meth phase was our biggest
20 challenge.

21 Q. Okay. And that was in the 2000,
22 2006 time frame?

23 A. Yeah.

24 Q. Okay. So we move on to your time

1 at Walgreens, and what I want to do is go
2 through some of these bullet points and just
3 kind of ask you to expand on them a little bit.

4 A. Okay.

5 Q. The first bullet point that you
6 have here is that you "managed a region of
7 pharmacy retail stores" and you've already told
8 us about that, right?

9 A. Mm-hmm.

10 Q. Next thing you say you is you
11 "Partnered with area directors, district
12 managers, and operations trainers for the
13 successful execution of a company business plan
14 and/or initiatives."

15 Can you kind of explain what you
16 mean there?

17 A. Supporting one another with
18 whatever initiatives were coming down. And
19 mostly it was in the operations aspect,
20 different ways of doing things, changing things.
21 It might have been systems. It could have been
22 changes with our realigning, supporting one
23 another that way.

24 Q. What do you mean by "operations"?

1 A. Operations is more the front end
2 of the store and the day to day -- it's
3 pharmacy, too, I should say, where they're more
4 focused on the operations, the profit, the
5 sales, the receiving, the merchandising; whereas
6 in our department, we're focused on theft,
7 losses, supporting them with compliance matters.

8 Q. Okay. The next bullet point, you
9 say, "Identify shrink priorities and analyze,
10 develop, and implement shrink reduction plans."

11 Do you see that?

12 A. Yes.

13 Q. What is shrink?

14 A. Shrink is losses in our retail
15 stores, what we should have compared to what we
16 don't have, the variance there in the -- that's
17 unaccounted for, and we support finding out how
18 it happened, why it happened and what we can do
19 to shift our focus from preventing it again.

20 Q. Okay. Generally speaking, shrink
21 is theft; is that fair?

22 A. It could be theft, but we also
23 incur a lot of shrink in losses with paper
24 shrink because our own processes may not be

1 getting -- being followed.

2 Q. Can you give me an example of
3 that.

4 A. Do you want a front end or a
5 pharmacy?

6 Q. Why don't we do the pharmacy.

7 A. A paper shrink in pharmacy might
8 be an order was received and it is posted in our
9 inventory management system, and if our staff,
10 whether it be technicians who did the receiving
11 of that order or whether it was a pharmacist who
12 did the receiving of that order, if they don't
13 post it and it doesn't get posted correctly and
14 timely, it's paper shrink. It's saying that we
15 never received it --

16 Q. So the books don't --

17 A. -- but yet we paid for it.

18 Q. So the books don't match?

19 A. Correct.

20 Q. Okay. So that's not a situation
21 where you have actual loss. That's a situation
22 where you -- you know, kind of an accounting
23 error type of issue?

24 A. Paper shrink, we refer to that as.

1 Q. Okay. And is one of your roles as
2 a loss prevention person with Walgreens to
3 identify that and get it corrected?

4 A. I support in identifying it, yes.

5 Q. Okay. Well, is the -- would it be
6 fair that the primary function that you serve is
7 product shrink?

8 A. Yes.

9 Q. Okay. And --

10 A. Cash also.

11 Q. Okay. Kind of describe for me
12 what the different roles or the different tasks
13 that you fulfill that kind of help with whether
14 it's cash or products?

15 A. Once it's identified -- and I'm
16 not in the stores identifying it on most parts.
17 I'm contacted after there's a process that they
18 follow. There are checks and balances to make
19 sure and confirm that it wasn't training error
20 or paper error. Once it's a confirmed loss,
21 they will contact me, and then I will conduct
22 that internal investigation and interview.

23 Q. Okay. What are your other
24 primary -- what are your other primary job

1 duties other than the identification of and
2 investigation of theft or shrink?

3 A. We do -- we do do some training.
4 We do do some audit review compliance to prevent
5 losses, making sure that we're -- it could be
6 compliance in checking our safety and security
7 systems. It could be compliance in making sure
8 that processes are being followed.

9 Q. Okay. Do any of those -- any of
10 the training or the processes that you're -- the
11 training you're conducting or the processes that
12 you're reviewing have to do with the ordering or
13 dispensing of controlled substances?

14 A. I do not do those trainings.

15 Q. Okay.

16 A. I don't speak to those, because my
17 area is loss and theft, not necessarily the
18 ordering and receiving. I know that there are
19 processes, but I can't articulate --

20 Q. Do you have --

21 A. -- what they are.

22 Q. Do you have any responsibilities
23 whatsoever for the ordering or receiving of
24 controlled substances?

1 A. No, I do not.

2 Q. Okay. Do you have any
3 responsibilities related to the dispensing of
4 controlled substances?

5 A. No, I do not.

6 Q. Do you have any responsibilities
7 related to the identification of fraudulent
8 prescriptions?

9 A. No, I do not.

10 Q. Do you have any responsibilities
11 that are related to the identification of
12 potential customers who may be engaging in
13 doctor shopping?

14 A. No, I do not.

15 Q. Do you have any responsibilities
16 related to making a determination as to whether
17 or not a particular prescription should be
18 filled?

19 A. No, I do not.

20 Q. If we keep going down the list,
21 the next bullet point says you "conduct detailed
22 internal and external investigations."

23 Let me stop there. Obviously
24 you've told us a little bit about some of the

1 investigations you would conduct if you -- if
2 somebody identifies either paper shrink or
3 product or cash shrink to you, correct?

4 A. Correct.

5 Q. Okay. Do -- I've used a couple of
6 phrases. When I say "fraudulent prescription,"
7 you know what I mean by that, right? Or tell --
8 do you know what I mean by that?

9 A. I know what I -- how I define
10 "fraudulent prescription." I don't know if it
11 is the same of what --

12 Q. Well, let's just use your
13 definition. Tell us what your definition is.

14 A. A fraudulent prescription to me
15 is -- would be considered if a patient brought
16 in a prescription that has been altered, if it
17 has been -- I'm aware that sometimes we have
18 notices from doctor's office that doesn't come
19 to me. I'm just aware -- made aware of them,
20 that maybe a prescription pad was stolen from a
21 doctor's office, and somebody begins, then,
22 writing prescriptions and falsifying
23 prescription signatures and doctors and
24 everything else. So to me, that's what a

1 fraudulent prescription would resemble.

2 Q. Okay. And I think that's a fair
3 definition. So let me make sure I understand.
4 If somebody comes into a Walgreens store and
5 they have one of these fraudulent prescriptions,
6 it's not your job to make that determination on
7 the front end, correct?

8 A. Correct. I don't even see the
9 prescriptions.

10 Q. Okay. If one is identified, so,
11 for example, if a pharmacist realizes that
12 they've been handed a fraudulent prescription,
13 do you ever play a role in -- do you ever get
14 looped into that?

15 A. There are occasions -- some
16 pharmacists will know exactly how to handle it.
17 Other pharmacists may contact me. They may
18 contact -- we used to have in place pharmacy
19 supervisors. They may contact the district
20 managers advising that "I think I suspect. What
21 should I do?"

22 And then I will -- I can give them
23 direction. "If you think or suspect, what have
24 you done? Did you call the doctor's office to

1 verify it?" Which is really the only thing I
2 would tell them to do, call the doctor's office
3 to verify it before you report it to our Board
4 of Pharmacy.

5 Q. Okay. So kind of using the
6 decision tree that you gave us there, so a
7 person comes in and presents a fraudulent
8 prescription and this particular pharmacist
9 knows what to do. Would you ever hear about it
10 in that situation?

11 A. No.

12 Q. Okay.

13 A. The only time I might hear about
14 it is if the law enforcement reaches out to me
15 with subpoenas and needing copies of the
16 prescriptions for their purposes of their
17 investigation.

18 Q. So they might ask you to pull the
19 video from when the person came in?

20 A. Correct.

21 Q. They might ask you to get a copy
22 of the prescription from the pharmacist?

23 A. Correct.

24 Q. Okay. But other than that, you're

1 not doing any investigation or any oversight of
2 that?

3 A. No, I am not.

4 Q. Okay. So the second situation
5 where a person comes in, presents a fraudulent
6 prescription, and the pharmacist, for whatever
7 reason, doesn't know what to do, you may get a
8 phone call in those situations?

9 A. Yes.

10 Q. Okay. And what I think I heard
11 you just say is you would advise them to call
12 the doctor and see if he could verify the
13 prescription?

14 A. Take what steps that they have and
15 have been provided to follow and make sure you
16 verify it and -- I wouldn't be able to tell them
17 beyond the appearance of the script or what
18 they're looking for in passing. I just know
19 sometimes what alerts them to suspect that it's
20 a fraudulent prescription.

21 Q. Okay. And other than giving
22 them -- the pharmacist this information, that I
23 presume a pharm -- the pharmacist would --
24 should have access to independently, correct?

1 A. Correct, but some of them are --
2 there's a lot they do. Some of them -- some of
3 them are not confident. They want to make sure
4 they're handling it correctly. Mostly that's
5 what it is when they contact me. "I know I'm
6 supposed to."

7 "Yes, follow that process."

8 Q. Okay. There's nothing -- there's
9 no information that you and you alone have that
10 they're having to contact you to get?

11 A. No.

12 Q. All the information that you give
13 them is information they could pull
14 independently?

15 A. Yes, they can.

16 Q. Okay. Outside of telling those
17 particular pharmacists that either may not know
18 what to do or may just want the assurance that
19 they're doing the right thing and providing them
20 with that information, do you have any other
21 involvement in those situations?

22 A. No, I do not.

23 Q. Okay. That bullet point continues
24 to read, "conduct detailed internal and external

1 investigations." And it says, "For resolution
2 of losses of pharmaceuticals." And then it
3 lists some other areas there.

4 In what ways would you conduct
5 investigations for the loss of pharmaceuticals?

6 A. Walgreens, we have exception
7 reports that capture when changes of inventory
8 on hands come. So part of that would be once we
9 identify and have a confirmed loss, then I would
10 do the investigation in connection with -- I
11 would contact the Board of Pharmacy.

12 We would coordinate that with --
13 usually it's our pharmacy manager, unless the
14 pharmacy manager is the one suspected of the
15 theft, and then we would do the monitoring, the
16 video, and eventually sit down and talk to the
17 person.

18 Q. Okay.

19 MR. GADDY: Can you pull

20 P-WAG-Y2366.

21 BY MR. GADDY:

22 Q. How long has -- have you received
23 exception reports at Walgreens?

24 A. They've been available since I've

1 been with the company.

2 - - -

3 (Walgreens-Zaccaro Exhibit 2 marked.)

4 - - -

5 Q. Okay. Let me show you what I'm
6 marking as Exhibit 2. Do you recognize --
7 obviously it's an e-mail, but then there's, it
8 looks like, a chart copied and pasted below
9 that.

10 Do you recognize that, the chart
11 specifically?

12 A. Yes.

13 Q. Is this an exception report?

14 A. Yes.

15 Q. Okay. Do you mind just kind of
16 walking me through, because I saw some of these
17 and I'll admit I don't completely understand
18 them. So I'm hoping you can kind of explain to
19 me what I'm -- what we're looking at here.

20 A. So what this captures is the
21 13-week history, the chart we're talking about,
22 correct.

23 Q. Okay.

24 A. And it captures when there is high

1 risk activity of the drug --

2 Q. Okay.

3 A. -- that would require additional
4 review. This was referred to as your LPxRx
5 report.

6 Q. What does that mean?

7 A. Loss prevention pharmacy report.

8 Q. Okay.

9 A. In this 13-week for each drug,
10 sometimes -- and it's not uncommon -- we'll just
11 take the first drug, the 5/500 hydrocodone where
12 you see an adjustment of 488 were done.

13 Q. What does -- can you tell me what
14 "adjustment" means?

15 A. They changed that on hands. The
16 change of the on hands could happen one of two
17 ways. Either a technician goes to fill the drug
18 and it's not there and they make the adjustment,
19 or we fill more than what our system says we
20 had, then the system will make an automatic
21 adjustment.

22 That's the posting thing I
23 mentioned earlier. If they don't post it, our
24 system doesn't know we have it, and then they

1 fill something that our system doesn't believe
2 is there. And so the system will make the
3 adjustment.

4 We have two separate systems for
5 inventory and then for the pharmacy fill. So if
6 they're not done right and each system isn't
7 done correctly --

8 Q. That's where you get some of those
9 accounting type errors?

10 A. Yes.

11 Q. Okay.

12 A. And so -- but typically in these
13 situations, this captures -- what we would be
14 looking for is what we received -- this is what
15 would flag me in what I do, in my role for theft
16 and loss -- is what we receive, we would expect
17 that our total purchases come pretty close to
18 what our sales are. So then that way we have
19 the sales of -- we have in stock what we filled.

20 If you start seeing a whole bunch
21 more and we're not getting fills, it's "Why do
22 we -- why are we receiving all of this? Is
23 somebody going into the ordering system and
24 increasing orders so those won't be captured?"

1 Could be, maybe not. I'm not sure. That's what
2 we find out when we go in for the interview.

3 But when you have an adjustment,
4 sometimes you can go in and do an on-hand count
5 and let's just say somebody maybe posted that
6 receipt finally, you go and you do an on-hands
7 count and you adjust it right back up.

8 During this time, this report
9 captured all kinds of things, and it was
10 oftentimes a page, two pages long. We have
11 since changed our filtering at the support
12 office is what they did, and it now captures
13 only the -- it's truly unaccounted for. We need
14 to figure out where it's at. So ...

15 Q. Okay. Let me see if I can ask you
16 a couple of specific questions to make sure that
17 I can understand this.

18 A. Okay.

19 Q. So first off, this is a report --
20 it looks like the date of the e-mail is
21 April 2010?

22 A. I see that, yes.

23 Q. Okay. Would this have been the
24 format that you received exception reports in

1 from going all the way back to '06?

2 A. Yes.

3 Q. Until about when?

4 A. Our new HR XD was -- and I'm

5 roughly estimating --

6 Q. Sure.

7 A. -- four, five years ago, maybe.

8 Q. Okay. So '13, '14 time frame?

9 A. Yes.

10 Q. Okay. And so if I look at the
11 chart, it looks like the far left-hand column,
12 which is, looks like, Control WIC, that's the --
13 that's a code that correlates to the particular
14 drug?

15 A. Yes.

16 Q. Okay. And the next column is an
17 actual description of the drug?

18 A. Correct.

19 Q. Okay. And, again, if we're just
20 using the top line as an example of the
21 description, this particular drug, it's
22 hydrocodone?

23 A. Correct.

24 Q. Okay. And the next column says On

1 Hand.

2 A. Yes.

3 Q. Does that mean how much is
4 supposed to be sitting on the shelf at the
5 pharmacy?

6 A. That's when the report is
7 generated. What it is capturing, what our
8 systems are saying is on hand.

9 Q. So that's what the computer is
10 telling you is sitting on the shelves at the
11 pharmacy?

12 A. Yes. But this is also -- you
13 should know, is not a live update. This report
14 would have only updated -- should have been once
15 a week but sometimes systems go down. They are
16 computers, so ...

17 Q. Okay. What's the warehouse column
18 telling us?

19 A. How many was received from our
20 warehouse, our distribution center.

21 Q. And are these -- these numbers
22 that we're looking at, is that number of pills?

23 A. Yes.

24 Q. Okay. So that's number of pills

1 or number of dosage units; is that fair?

2 A. Yes.

3 Q. Okay. So for this particular
4 store -- and, again, I think you said this was a
5 13-week average or a 13-week report?

6 A. Thirteen-week, yes.

7 Q. So for this 13-week period, this
8 particular store had ordered 20,500 of these
9 hydrocodone pills?

10 A. That's what the report says, yes.

11 Q. Okay. What's Vendor?

12 A. That is where they would order if
13 we didn't have it in stock.

14 Q. So is that where they would have
15 to get pills from Cardinal Health or something
16 like that?

17 A. Yes.

18 Q. So your system would tell you how
19 many pills came in from the Walgreens
20 distribution center, as well as how many came in
21 from any outside vendors?

22 A. Yes.

23 Q. Okay. And the next column says
24 Total Purchase. So is that -- is that adding up

1 the Warehouse and the Vendor?

2 A. Yes.

3 Q. Okay. What is Claims?

4 A. Claims could be if it was -- if
5 products expired, we have a process to claim
6 those. If it is maybe a wrong fill and a
7 customer brings it back because they got
8 something wrong or there was something -- we
9 can't refill that and sell that drug, so then it
10 goes into that process. We have to adjust that.

11 Q. Is that essentially when a
12 pharmacy has to return a product?

13 A. Yes.

14 Q. Okay. Okay. And then the
15 Adjustments?

16 A. Yes.

17 Q. So let's skip that one for just a
18 minute, and let me ask you about the other two.

19 A. Okay.

20 Q. So Sales?

21 A. Yes.

22 Q. Tell me what that means.

23 A. The quantity of pills that were
24 prescribed and sold -- prescribed, filled, and

1 sold in that 13-week period.

2 Q. Okay. So I guess, in theory,
3 should the amount on hand be the difference
4 between the total purchased and the sales?

5 A. You would expect that that would
6 balance. And then you have an overbuy of 424,
7 but you see the bottle count was a 500-count
8 bottle. So clearly they needed that bottle of
9 500 for the difference of the 424, so ...

10 Q. Okay. I'm sorry. You lost me.

11 A. Well, you have an overbuy of 424.

12 Q. Okay. What's "overbuy" mean?

13 A. We don't want them to have in
14 stock any more than they need. If you have --
15 we've had instances in the past -- I personally
16 have never had a case, but I'm just -- I know
17 that some cases and investigations in -- that
18 come about we're aware that the technicians at
19 one time were able to -- and this was before I
20 was with the company -- were able to manually
21 adjust the order quantities.

22 So if you have a technician who
23 connects the dots and has been there for a while
24 and did the inventory ordering, they could have

1 known, if they were stealing that drug, that
2 they couldn't run out for a prescription fill,
3 so they would increase those orders. But, of
4 course, if they're stealing, it wouldn't reflect
5 in the sales.

6 This is the whole analyst stuff
7 that we look at for justifying why we have so
8 many. So when we're assessing that, what I will
9 always look at is, like, "Yeah, 424 is a lot,
10 why do we have that many extra," considering how
11 many orders they get in one week and stuff.

12 But if you look at the
13 description, that 500 on the very end of that
14 drug means it's a 500-count bottle.

15 Q. Okay.

16 A. So we would have needed that 424
17 overage because we opened that bottle to be able
18 to do fills.

19 Q. Gotcha. Okay. So what I hear you
20 to be saying is that Walgreens has a goal of not
21 having a lot of extra pills on the shelf?

22 A. I don't know what their goal is.
23 In my line of work and what I look at as far as
24 theft and losses, it can be an indicator of

1 there could be a problem.

2 Q. Okay. So if there's a lot of
3 pills on hand, that's a flag to you of something
4 that you need to look into?

5 A. For what I look into, yes.

6 Q. Okay. And what -- it looks like,
7 if you look at the bottom of this e-mail, you
8 write to Brian, and Brian would be the -- he'd
9 be the head pharmacist at this particular store?

10 A. Going back -- I mean --

11 Q. Would he be a pharmacist?

12 A. I sent it to the store manager
13 e-mail address --

14 Q. Mm-hmm.

15 A. -- and I can't remember who was
16 the store manager or the pharmacy manager there
17 at that time.

18 Q. Okay. Okay. So there's a
19 difference between the store manager and
20 pharmacy manager?

21 A. Yes.

22 Q. Okay. So you say, "Hi Brian, I
23 was reviewing your LPxRx report and there
24 would -- and would like to have the on hands of

1 the hydrocodone APAP 5/500 verified."

2 What -- is it fair to say that
3 what popped out to you when you looked at this
4 particular exception report was the 2,122 pills
5 that were supposedly on hand?

6 A. No. What would have stuck out to
7 me was the adjustment of 488.

8 Q. Okay. So we never -- I never got
9 back to that column.

10 A. Yes.

11 Q. Can you explain to me what that
12 means.

13 A. That would have been positive or
14 negative adjustments that were done with the on
15 hands of that drug.

16 Q. Is that somebody at the pharmacy
17 who was manually making that change into the
18 system?

19 A. It could be, but it could also be
20 the system making the change. As I said before,
21 if you have something -- if you -- if we don't
22 post a receiving order and our system doesn't
23 know we have that order, but then we fill it,
24 the system says, "How did you fill what you

1 don't have?"

2 So the system will make that
3 adjustment.

4 Q. Okay. In that situation that you
5 just described where you fill a prescription
6 where whoever had -- did not properly intake it
7 and post it, you would see a positive adjustment
8 there, right?

9 A. No. It would be a negative
10 because the system corrects what it thinks it
11 should be.

12 Q. Okay.

13 A. So we're out 488. It doesn't post
14 positive -- the only time it will adjust
15 positive is if, one, when you post the receipt
16 or, two, if you do an on-hands review and count
17 it and verify it and realize that you actually
18 have more. And then you make the positive
19 adjustment.

20 Q. So when you see this negative
21 adjustment of 488, what does that tell you?

22 A. It needs to be -- the inventory on
23 hands would need to be verified to make sure
24 it's correct. And if it's not offset, then I

1 would ask them to continue to count on an
2 average of two to four times per week to assess
3 if it's a theft concern.

4 Q. Okay. So when you see this, your
5 concern is that 488 pills may have gone missing?

6 A. Correct.

7 Q. Okay. So just so I can kind of
8 close out the loop on this, walk me through the
9 extent of your investigation as far as what you
10 would do after seeing an exception report such
11 as this.

12 A. If the drugs can't be accounted
13 for and we don't know where they're at and we
14 count again and realize we have more missing,
15 then I reach out to the Board of Pharmacy and we
16 begin working together and collaborating
17 together on cameras, counts.

18 Q. Okay. And when you're having
19 adjustments like this in these investigations,
20 what type of theft -- what type of thefts are
21 possible?

22 A. Anything.

23 Q. Okay. This could be anything from
24 somebody jumping over a counter and taking a

1 bottle to a pharmacist or a pharmacy tech --

2 A. Stealing.

3 Q. Okay. During your time at

4 Walgreens, have you had situations where you've

5 had customers steal prescription pills?

6 A. Customers?

7 Q. Or outside -- out --

8 non-employees.

9 A. Non-employees? In the form of
10 burglary and robberies, yes.

11 Q. Okay. During your time at
12 Walgreens, have you had situations where you've
13 had employees involved in thefts of controlled
14 substances?

15 A. Employees as in technicians,
16 pharmacists?

17 Q. Correct.

18 A. Both, yes.

19 Q. Okay. And has that happened over
20 the course of your career going back to 2006?

21 A. Yes.

22 Q. Okay. And as you sit here today,
23 do you recall approximately how many times
24 you've been involved in investigations with the

1 Board of Pharmacy regarding thefts of controlled
2 substances from Walgreens' stores where
3 pharmacists or pharmacy technicians were the
4 targets of those investigations?

5 A. I would roughly estimate five to
6 six investigations in the pharmacy for theft of
7 drugs a year.

8 Q. Okay. Have you been involved in
9 any that resulted in arrests?

10 A. Yes.

11 Q. Okay. Approximately how many?

12 A. All of ours result in arrests.
13 And to be clear, it is the Board of Pharmacy
14 investigators who file those charges.

15 Q. Okay. So I think we determined
16 earlier that from 2006 until approximately 2013
17 or 2014, your area encompassed what I think you
18 called Cleveland West?

19 A. Correct.

20 Q. Okay. And that was about -- was
21 it about 15 stores in Cleveland?

22 A. That was about 27 stores.

23 Q. Sorry. About 27 stores.

24 And based on what you just told

1 me, would it be fair to say that from 2006
2 through approximately 2013, 2014 that you were
3 involved in five to six investigations a year
4 during that time frame that resulted in the
5 arrests of a Walgreens' technician or a
6 Walgreens' pharmacist for theft of controlled
7 substances?

8 A. Yes. And when I say "on average,"
9 one year might only have --

10 Q. Sure.

11 A. -- three investigations. The next
12 year, which is very uncommon, but I had, I
13 think, three investigations in one month another
14 year. So when I say "on average," if you
15 average it out from year over year like that.
16 About five to six, yes.

17 Q. Okay. Since 2013, 2014, the
18 number of stores you supervise has increased?

19 A. Yes.

20 Q. By about three or four times?

21 A. Yes.

22 Q. Okay. You have about 75 stores
23 now?

24 A. In between 60 and 65.

1 Q. Okay. Are you seeing more
2 investigations because you have more stores?

3 A. No.

4 Q. Still about five to six a year?

5 A. Yes.

6 Q. Are you still reviewing exception
7 reports on a regular basis?

8 A. I do review them, but it is the
9 expectation of our pharmacy managers to review
10 those.

11 Q. Okay. Who has the primary
12 responsibility for reviewing the exception
13 reports?

14 A. The pharmacy manager and store
15 manager.

16 Q. Okay. And if the pharmacy manager
17 sees something like what you flagged here at
18 this particular store with the negative
19 adjustment of 488 on the controlled substance
20 hydrocodone, what is the pharmacy manager
21 supposed to do?

22 A. It varies. It depends on the
23 person. Some pharmacy managers will reach out
24 and say, "Hey, just so you know, if you see

1 this, this is what it was. This is what I was
2 able to determine."

3 Some pharmacy managers, unless it
4 is a loss, a confirmed, like, "I don't know
5 where it's at," then they'll call me. But if
6 they can account for it, I may not hear anything
7 from -- it just -- it depends on that pharmacy
8 manager and how they do their job.

9 Q. When you get involved into these
10 investigations, like you -- you know, you ask
11 for -- it looks like you ask the store
12 manager -- either the pharmacy manager or the
13 store manager to look into this, correct?

14 A. Yes.

15 Q. And I guess there's the
16 possibility they can write you back with an
17 explanation that would put it to rest; is that
18 fair?

19 A. Yes.

20 Q. Okay. And there's other times
21 where maybe the explanation isn't fully
22 sufficient or they're not able to give you a
23 good answer; is that fair?

24 A. Yes.

1 Q. In those situations -- I think
2 I've heard you mention an interview. Do you
3 take charge -- are you still in charge at this
4 point and are you doing follow-up or is it
5 turned over to the Board of Pharmacy?

6 A. So once a loss, a true loss, is
7 confirmed, I immediately notify our Board of
8 Pharmacy, an investigator. We then will plan
9 how to go forward. I will communicate next
10 steps and directives to the pharmacy manager on
11 how to go forward, which typically is counting
12 the drugs every day and doing it manually so we
13 know and confirm the loss. And then --

14 I lost my train of thought, the
15 question that you were trying to get to. What
16 was your question again?

17 Q. Sure. So -- I think you answered
18 it, but what I was asking about was where -- how
19 long you stay involved. And what I heard you
20 just say is, as soon as you confirm a theft,
21 it's turned over to the Board of Pharmacy?

22 A. No. I stay involved until the
23 end.

24 Q. Okay.

1 A. And I will do the interview with
2 the board investigator. The board investigator
3 will always lead the interviews, and if I need
4 to interject or ask questions, I will -- I'm
5 always given the opportunity at the end or I
6 will interject during the course of that
7 interview.

8 Q. Okay. Other than using these
9 exception reports for the purpose that we just
10 went over to identify loss or potential theft,
11 is there any other reason for which you utilize
12 the exception reports?

13 A. Compliance, making sure that --

14 Q. What do you mean by "compliance"?
15 Compliance with what?

16 A. Making sure that they're following
17 the right processes, posting or something like
18 that. Like if I'm identifying large overbuys.
19 I'll start looking into some of their receiving
20 and posting and then I'll challenge them on if
21 I'm noticing unposted receipts or receipts that
22 were posted weeks after the product was arrived.
23 So ...

24 Q. Okay. So that would be compliance

1 with internal Walgreens' policies and
2 procedures; is that fair?

3 A. That, yes.

4 Q. Okay.

5 A. Primarily these are used for
6 theft, identifying theft, for me, the way I look
7 at these.

8 Q. Okay.

9 A. The way I analyze these reports
10 and my purpose for them.

11 Q. Outside of utilizing them for
12 theft and compliance with Walgreens' ordering
13 policies and procedures, are there any other
14 reasons for which you use the exception reports?

15 A. No, not that I can think of,
16 anything I can think of at this time.

17 Q. Are there any other reports that
18 you receive in the course of your work as a loss
19 prevention person with Walgreens that contains
20 information about the pharmacy, period, whether
21 it's dispensing histories or ordering histories
22 or anything like that, or is it just the
23 exception report?

24 A. So there's tabs for all of that.

1 Q. What do you mean by "tabs"?

2 A. On our exception base reporting
3 dashboard. There's tabs for sales. There's
4 tabs for inventory. There's tabs for
5 performance and training. I don't usually go
6 into them.

7 Q. Okay.

8 A. Very rarely.

9 Q. Are there any other -- any other
10 reports outside of the exception dashboard that
11 you receive related to the pharmacy?

12 A. Our -- that are not generated --
13 these are generated regularly. The other
14 reports that I may access is into our SIMS
15 system, which is our inventory management
16 system, but that is just going in and verifying
17 that myself. Once I see something like this,
18 then I will start reviewing more of the actual
19 inventory reports.

20 Q. Okay.

21 A. So I don't know if those would
22 necessarily be considered exception reports.
23 It's more inventory reporting.

24 Q. Okay. Are there any reports that

1 you review for the purpose of determining
2 whether or not a particular store is dispensing
3 an excessive volume of controlled substances?

4 A. I'm not -- that's not my area with
5 the dispensing. I don't monitor any of that.

6 Q. Do you do any analysis of
7 dispensing of controlled substances whatsoever?

8 A. No. My area is on loss and theft.

9 Q. Okay. And has that been true for
10 the entire 12 years that you've been at
11 Walgreens?

12 A. Yes.

13 Q. Okay.

14 - - -

15 (Walgreens-Zaccaro Exhibit 3 marked.)

16 - - -

17 Q. Let me show you what I'll mark as
18 Exhibit 3. I'm going to look at what I think
19 are a couple more of these exception reports.

20 A. Okay.

21 Q. And do you recognize this document
22 as an e-mail chain between you and another store
23 manager?

24 A. Cecey was our pharmacy manager --

1 Q. Okay.

2 A. -- at the time.

3 Q. So Cecey was the pharmacy

4 manager --

5 A. Mm-hmm.

6 Q. -- of this particular store?

7 A. Yes.

8 Q. Okay. And if we start at the
9 bottom, very bottom of the first page, it looks
10 like this chain starts with an e-mail from you
11 on July 31st of 2012, correct?

12 A. Yes.

13 Q. Okay. And there's a couple people
14 who -- or I guess it looks like you e-mail to
15 the store manager who happened to be Cecey.

16 A. The RxM is a pharmacy manager
17 e-mail address --

18 Q. Gotcha.

19 A. -- where MGR is the store manager
20 e-mail. So it looks like I sent it to the
21 pharmacy manager, and I copied our store manager
22 and Matt Soder, who would have been our pharmacy
23 supervisor for that district at the time.

24 Q. Okay. Is Matt Soder your

1 supervisor or --

2 A. No.

3 Q. You all are separate?

4 A. So in a district team at that
5 time, you had a loss prevention manager, a
6 pharmacy supervisor, a district manager, and a
7 district trainer. So it was a team of four of
8 us for one specific district.

9 Q. Okay. So the same 27 or so stores
10 that you served as the loss prevention manager
11 for at that time, Matt would have served as the
12 pharmacy supervisor?

13 A. Yes.

14 Q. Okay. So it looks like you e-mail
15 Cecey, and you say, "Hi Cecey. Please review
16 and verify the on-hands of the hydrocodone as
17 noted below from the LPxRx. Almost two
18 500-count bottles? Please update me with your
19 findings."

20 Do you see that?

21 A. Yes.

22 Q. Okay. And so, again, you're
23 asking about a -- hydrocodone, which is a
24 controlled substance, correct?

1 A. Yes.

2 Q. Okay. And if we turn the page, is
3 this another one of these exception reports?

4 A. Yes.

5 Q. Okay. And it looks like -- if we
6 look at the top of the next page, it looks like
7 this was for Store 3310?

8 A. Yes.

9 Q. And that's a store in Cleveland,
10 Ohio?

11 A. Yes.

12 Q. Okay. And this report looks to be
13 a little bit different. It looks like maybe you
14 ran a report just for that particular drug, the
15 hydrocodone?

16 A. Yes.

17 Q. Okay. And some of the columns are
18 similar, but some of them are different. So if
19 you don't mind telling me -- tell me on this
20 chart what it is that jumped out at you that
21 made you reach out to Cecey?

22 A. The adjustment for negative 911.

23 Q. Okay. Why is that of concern to
24 you?

1 A. That would be almost two full
2 bottles of 500-count bottles.

3 Q. Okay. And somewhere in the
4 system, the system is telling you that
5 potentially two 500-count bottle of hydrocodone
6 have gone missing?

7 A. Yes.

8 Q. Okay. And obviously that's
9 something you want to follow up on, right?

10 A. Yes.

11 Q. Okay. If we go back to the first
12 page, it looks like -- it looks like you
13 followed up with him after about a week or so
14 went by and you hadn't heard back from him?

15 A. Yes, which is why I -- with Cecey
16 she was not a pharmacy manager to follow up.
17 She wasn't very dependable to follow up on
18 things always when it comes up to things. It
19 was a very high-volume pharmacy.

20 So certain pharmacy managers, if
21 I -- having worked with them, know the history
22 of their follow-through sometimes, I will CC the
23 store manager and the pharmacy supervisor to --

24 Q. Okay. You would agree with me

1 that it's a pretty serious concern if you
2 potentially have two 500-count bottles of
3 hydrocodone that have gone missing, right?

4 A. Yes.

5 Q. Okay. That's something that you
6 definitely would want to stay on top of and --

7 A. Yes.

8 Q. -- be diligent about?

9 A. Yes.

10 Q. Okay. So it looks like
11 approximately a week and a half later you follow
12 up with her asking her to look into it again?

13 A. Yes.

14 Q. Okay. It then looks like you get
15 a response from the store manager but not from
16 Cecey, correct?

17 A. That came from RxM, so that would
18 have been from Cecey. And if you see on the
19 bottom, it's her -- she has her name on the
20 bottom of the e-mail, too.

21 Q. Gotcha. Thank you.

22 And so she writes, "I had them
23 count it overnight when it would be most
24 accurate and we are over by five. Was there an

1 adjustment prior to 6-12 for a +? That was the
2 day after inventory."

3 Can you tell me what she's saying
4 there?

5 A. I don't recall the plus 5 by 5
6 tablets or five bottles and was there an
7 adjustment prior to 6/12 for a positive.
8 These -- the dates that you have on your time
9 stamp of that report are the week ending date.
10 So the week ending 7/24, we received 2,000 from
11 the warehouse, total purchases.

12 So it could have been in a
13 combination of three orders kind of thing. So
14 they get a 13-week view. I have the ability to
15 do a 52-week review, which I -- it's not
16 uncommon for me to go in -- if we can't account
17 for this 911 that are missing, I'll go back even
18 further to see, we may have had a positive
19 adjustment somewhere that would offset this,
20 that somebody went in and positively adjusted
21 it.

22 Q. Okay. And when -- again, when
23 you're talking about two 500-count bottles of
24 hydrocodone, that's -- you're definitely going

1 to do that follow-up investigation, right?

2 A. Yes.

3 Q. Okay. Does her answer here, in
4 that e-mail we just read, does that solve the
5 problem for you?

6 A. No.

7 Q. Okay. So it looks like you
8 respond to her just above that and you tell her
9 you're concerned about the almost two 500-count
10 bottles that are unaccounted for, correct?

11 A. Yes.

12 Q. Okay. And it looks like she
13 writes back, "Yes, me and you both. Did you
14 look further back for adjustments?"

15 Do you see that?

16 A. Yes.

17 Q. Do you recall whether or not this
18 situation ever got resolved?

19 A. I do not recall.

20 Q. Okay. Is Cecey still a pharmacist
21 with Walgreens?

22 A. No.

23 Q. Okay. When did she leave; do you
24 know?

1 A. I can't say. I know she stepped
2 down from her position. I know she went to an
3 overnight store and that did not work out and
4 she left, but I can't -- I don't know when her
5 separation was. I truly don't. I can't
6 remember.

7 - - -

8 (Walgreens-Zaccaro Exhibit 4 marked.)

9 - - -

10 Q. Okay. Let me show you what I'll
11 mark as Exhibit Number 4, which is going to be
12 along the same line. And if --

13 MR. GADDY: It's P-WAG-2340.

14 BY MR. GADDY:

15 Q. And if you look at the bottom of
16 the page, you see it's the same e-mail that we
17 were just looking at?

18 A. Yes.

19 Q. Okay. And then we also, in the
20 middle of the page -- middle of the first page,
21 we see that same follow up that we just looked
22 at, right?

23 A. Yes.

24 Q. Okay. And then you get an e-mail

1 from the pharmacy supervisor, Matt, correct?

2 A. Yes.

3 Q. Okay. And he says -- and this --
4 and he writes only to you. He takes the folks
5 from the store off, correct?

6 A. Yes.

7 Q. Okay. And he says, "Please keep
8 me posted. I would be careful about using
9 e-mail on these just in case we have someone who
10 can access. Might tip them off."

11 Correct?

12 A. Yes.

13 Q. Fair to say that Matt's worried
14 about a theft situation and that maybe the
15 person responsible for the theft was on one of
16 those list serves?

17 A. It's not uncommon for pharmacists
18 to open e-mail and close them down and just
19 leave the links on, and there have been
20 instances where people go in and start checking
21 e-mail and -- because they're worried about
22 what's going on if they're in connection with
23 the theft.

24 So he was just, as a reminder to

1 me, don't send the e-mails in too detail,
2 because if somebody walks by, looks over the
3 shoulder, sees it, then they become alerted that
4 they know about the theft.

5 Q. As kind of one of a best practices
6 type rules for you in doing your job in loss
7 prevention when you're looking into some of
8 these adjustments that you would see in the
9 exception reports, you had to be cognizant of
10 how transparent you were?

11 A. Yes.

12 Q. Okay. You had to be careful to
13 not provide too much information because you
14 might be alerting the pharmacists or the
15 pharmacy techs who were actually involved in the
16 theft; is that fair?

17 A. Yes, that would be fair.

18 Q. And that was something that you
19 had to take into account when conducting these
20 type of investigations, correct?

21 A. Correct.

22 - - -

23 (Walgreens-Zaccaro Exhibit 5 marked.)

24 - - -

1 Q. Okay. I'll show you P-WAG-2359,
2 which is -- involves the same store, I believe.

3 Do you recognize this as another
4 e-mail chain? If you look at the top e-mail, it
5 looks like it's between you and, again, Matt
6 Soder --

7 A. Soder, yes.

8 Q. Soder. I'm sorry. The pharmacy
9 supervisor?

10 A. Yes.

11 Q. Okay. And the subject of this
12 e-mail is "C-II access and key control"?

13 A. Yes.

14 Q. You say, "Hi Matt and John, one
15 other issue at #3310" -- and you're referring to
16 a store number there?

17 A. Yes.

18 Q. Okay. Would this be the same
19 store with Cecey that we were just talking
20 about?

21 A. Yes, it would be.

22 Q. "One other issue at #3310 that
23 came up this morning that I remembered needing
24 to be reviewed. Techs being given the C-II keys

1 to access C-IIs."

2 And again, that's talking about
3 Schedule II controlled substances, correct?

4 A. Correct.

5 Q. That includes the drugs like
6 OxyContin, oxycodone, hydrocodone, those types
7 of drugs?

8 A. Yes.

9 Q. Okay. "Techs being given the C-II
10 keys to access C-IIs and count them for
11 prescriptions and returning the C-IIs to the
12 cabinet. What is your stance on this? Below is
13 the policy I found pertaining to this."

14 Do you see that?

15 A. Yes.

16 Q. Okay. And it looks like the
17 policy -- it looks like you just copied and
18 pasted it into the e-mail here?

19 A. I did, yes.

20 Q. And the policy is Preventing
21 Diversion of Controlled Substances?

22 A. Yes.

23 Q. And the first sentence of the
24 basic policy says, "It is Walgreens' policy to

1 practice due diligence in preventing theft or
2 loss of controlled substances."

3 Correct?

4 A. That's what it says, yes.

5 Q. Okay. And the second heading
6 there is "Security Measures."

7 Do you see that?

8 A. Yes, I do.

9 Q. Okay. And specifically I'm
10 looking at the second bullet point. It says,
11 "Only a pharmacist" -- excuse me. "Only a
12 pharmacist shall have a key to the C-II cabinet,
13 and only a pharmacist is permitted to open the
14 C-II cabinet or retrieve or replace medications
15 from the C-II cabinet."

16 Do you see that?

17 A. Yes.

18 Q. And as far as you're aware, has
19 that always been the rule and practice at
20 Walgreens while you've been there?

21 A. It is my understanding, which is
22 why it came to question to me when it was
23 brought up.

24 Q. And if you go down to the bottom

1 of the page, it says -- and you're referring to
2 the policy, "It does not restrict techs from
3 counting for filling scripts. I don't feel they
4 should be given keys to access the cabinet to
5 retrieve and/or return C-IIs. I was advised
6 today by staff that Cecey is giving techs the
7 keys to retrieve and/or return C-IIs to the
8 cabinet."

9 Do you see that?

10 A. Yes.

11 Q. Okay. And why did you raise this
12 with the pharmacy supervisor? And who is
13 Mr. Lucchetti?

14 A. He would have been the district
15 manager at the time.

16 Q. Okay. And so what would -- where
17 would he have fallen in the hierarchy? Would he
18 have been a supervisor of the different regional
19 groups?

20 A. Of the district.

21 Q. Of the district.

22 A. He would oversee the district --
23 or the district manager is over the store
24 managers.

1 Q. Okay. So why did you feel the
2 need to bring this to the attention of Mr. Soder
3 and Mr. Lucchetti?

4 A. A tech brought it to my attention
5 when I was at the store. So I then looked into
6 it, and then notified Matt who is over the
7 pharmacy managers because he would have
8 addressed the non- -- the violation of the
9 policy and any discipline.

10 Q. And fair to say this policy's in
11 place to limit access to the controlled
12 substances?

13 A. Yes.

14 Q. And why would that be?

15 A. I don't know why they want to
16 limit the access, but it's -- they're controlled
17 drugs and there's a law that states only
18 pharmacists have access to those and that
19 they're kept secured.

20 Q. Okay. But --

21 A. I think there's -- I don't -- I'm
22 not going to comment on the law that way,
23 but ...

24 Q. Sure. So you're not saying

1 there's a law but there's definitely a Walgreens
2 policy?

3 A. I know it's a policy.

4 Q. Okay. The title of this
5 particular policy is "Preventing Diversion of
6 Controlled Substances."

7 Do you see that? Very top of the
8 policy.

9 A. Oh, yes. I'm sorry. I see that.

10 Q. Do you know what "diversion" is in
11 this context?

12 A. Diversion as it applies to safety
13 and security and what we do is the theft and
14 loss of drugs.

15 Q. Okay.

16 A. Diversion on this is how I would
17 apply it. I don't know how the company -- what
18 their definition is. I don't do the policies.
19 I don't write the policies.

20 Q. Okay. So go back to your -- you
21 still have your resumé there?

22 A. Yes.

23 Q. Are there any other general duties
24 that you have that you don't believe you've told

1 me about?

2 A. I mean, I'm involved in store
3 visits. I give direction on -- you know, with
4 policies and how to be compliant with the
5 policies. I do compliance review. We do
6 audits. I do internal and external -- I assist
7 external and I conduct internal investigations.

8 Q. And is all of that geared towards
9 identifying potential loss, potential shrink,
10 potential theft?

11 A. I would say yes.

12 Q. Okay. Are you familiar with what
13 might be called a trigger report? Does that
14 mean anything to you?

15 A. No.

16 Q. Okay. Let me show you what I'll
17 mark as Exhibit Number 6.

18 - - -

19 (Walgreens-Zaccaro Exhibit 6 marked.)

20 - - -

21 BY MR. GADDY:

22 Q. And this is P-GEN-47. This is
23 a -- I'll represent to you this is a transcript
24 of some testimony in front of Congress. And

1 this is before your time with Walgreens. But if
2 you look at the first page, do you see the
3 heading here says "OxyContin: Its Use and
4 Abuse."

5 Do you see that?

6 A. I see that it says that, yes.

7 Q. And if you keep reading, it looks
8 like this was presented to Congress in August of
9 2001.

10 Do you see that?

11 A. I do see that.

12 Q. Okay. When you started at
13 Walgreens in 2006, did Walgreens provide you
14 with any training or education on controlled
15 substances and the use or abuse of controlled
16 substances?

17 A. I don't recall specific.

18 Q. Okay. That's fair. If you look
19 up in the very top right-hand corner, there's
20 kind of a numbering system and the first page
21 ends 001.

22 Do you see that?

23 A. Yes.

24 Q. Okay. Can you flip with me to

1 page 6?

2 A. The 006, using that number?

3 Q. Yes, ma'am.

4 A. Okay.

5 Q. And, again, at the top of the
6 page, you see the heading of this "OxyContin:
7 Its Use and Abuse," and then the date below
8 there is Tuesday, August 28, 2001.

9 Do you see that?

10 A. I see what you've read, yes.

11 Q. Okay. And if you go down a couple
12 of paragraphs, there's a sentence that starts
13 "The use and abuse of OxyContin."

14 Are you with me?

15 A. Yes, I am following you.

16 Q. Okay. You see there it's says,
17 "The use and abuse of OxyContin provides quite a
18 dilemma for us in Congress and for the American
19 public. For some, OxyContin is the angel of
20 mercy. For others, it is the angel of death.
21 To those who suffer severe chronic pain, it
22 brings welcome relief. But for those who abuse
23 this highly addictive drug, it can bring even
24 greater suffering."

1 Do you see that?

2 A. I see what you've read, yes.

3 Q. Okay. Do you recall being given
4 any training or education by Walgreens about the
5 abuse and addiction related to specifically
6 OxyContin when you began your career at
7 Walgreens?

8 A. I don't recall.

9 Q. Okay. Do you recall at any time
10 during your time at Walgreens being given any
11 education or training by Walgreens about the
12 abuse, addiction, or diversion related to these
13 controlled substances?

14 A. I don't recall.

15 Q. Okay. It goes on to say, "Today,
16 we hear from law enforcement officers who argue
17 that OxyContin is quickly becoming the abuser's
18 drug of choice, surpassing heroin and cocaine in
19 some jurisdictions."

20 Do you see that?

21 A. I do see what you've read, yes.

22 Q. In the -- between the 2006 up
23 until the -- kind of where it seems like there
24 were changes made, '13 and '14, were you aware

1 that controlled substances, such as OxyContin,
2 were being abused by people?

3 MR. LEVINE: Objection to form.

4 You can go ahead and answer.

5 A. I know that there was a problem
6 with that just based on media and reports on the
7 news that you see.

8 Q. And --

9 A. I did not go searching for the
10 information.

11 Q. And my question is back into the
12 time frame of 2006 to 2013 and '14. Do you
13 believe that you had an understanding during
14 that time frame that drugs like OxyContin were
15 being abused?

16 A. I know that they were abused, but
17 I don't know to the extent, by who, under what
18 circumstances, and how they were getting
19 obtained or anything.

20 Q. Sure. Did you have a general
21 understanding that controlled substances, such
22 as OxyContin, were being abused from your time
23 in law enforcement as a parole officer?

24 A. I know that there were drugs that

1 were abused. I don't know that it was OxyContin
2 specifically.

3 Q. Okay. Well, what about
4 prescription drugs? Did you have an
5 understanding that controlled substances, which
6 were prescription drugs, were being abused, from
7 your time as a parole officer?

8 A. I don't know what specific drugs
9 were being abused when I was a parole officer.
10 I know our concentration was on meth because
11 that was the issue that we were combating.

12 Q. Okay. And that was in the 2000 to
13 2006 time frame?

14 A. Yes.

15 Q. Okay. If you turn to page 11 for
16 me, please, again just using the numbers at the
17 top of the page.

18 And do you see that in the --
19 towards the top there, you see that we get into
20 the testimony of Terrance Woodworth, Deputy
21 Director, Office of Diversion Control.

22 Do you see that?

23 A. I do see that.

24 Q. Are you familiar with the fact

1 that DEA has an Office of Diversion Control?

2 A. I do not know what offices they
3 have.

4 Q. Okay. Have you ever heard of the
5 Office of Diversion Control before?

6 A. No, I have not.

7 Q. Okay. There's an association,
8 National Association of Drug Diversion
9 Investigators.

10 Are you familiar with that?

11 A. No. I've never heard of that.

12 Q. Okay. If you look down at the
13 bottom of the page, it says -- and I'm starting
14 with the paragraph "During the last two years."

15 Do you see where I am?

16 A. Yes, I do, sir.

17 Q. It says, "During the last two
18 years, DEA has noted a dramatic increase in the
19 illicit availability and abuse of OxyContin. As
20 early as 1999 DEA assisted the State of Maine in
21 the investigation of an organized ring of
22 individuals who used forged, stolen, and altered
23 prescriptions to divert thousands of dosage
24 units of OxyContin to abusers."

1 And I'll stop there for a minute.

2 I've read that correctly?

3 A. That's what you've read.

4 MR. LEVINE: Objection. Lacks
5 foundation.

6 A. You did read that correctly.

7 Q. Okay. And we talked a little bit
8 earlier about fraudulent prescriptions, and I
9 think you gave me some examples that would
10 include some of the things that were mentioned
11 here?

12 MR. LEVINE: Objection to form.

13 Q. If there was some particular --
14 well, let me strike that and ask it this way:
15 During your time at Walgreens, did you ever
16 encounter an investigation that involved any
17 type of drug ring in any of your stores?

18 A. No, I have not.

19 Q. Okay. Is that something that you
20 would have been -- that would have fallen into
21 your purview, to take on an investigation into
22 an organized drug ring?

23 A. Only if it was internally. If it
24 was externally, I would not have been involved

1 in that.

2 Q. Okay. It goes on to say, "While
3 OxyContin diversion and abuse appear to have
4 begun more in rural areas, such as Appalachia,
5 it now has spread to urban areas. To date, at
6 least 14 states have experienced abuse and
7 diversion of OxyContin, including the State of
8 Pennsylvania and New Hampshire."

9 Do you see that?

10 A. I do see --

11 MR. LEVINE: Objection. Lacks
12 foundation.

13 A. I do see what you've read.

14 Q. If you turn for me, please, to
15 page 15, and I'm going to start down at the
16 bottom of this page. There's a sentence, bottom
17 middle of the page, that starts "And a
18 phenomenon." It's about four lines up from the
19 bottom.

20 A. Oh, I do see it. I'm sorry.

21 Q. No, you're fine.

22 It says, "And a phenomenon we call
23 doctor shopping."

24 Are you familiar with the phrase

1 "doctor shopping"?

2 A. I am familiar with that phrase,
3 but it's nothing that I would be involved with
4 in investigating.

5 Q. Okay. Tell me what that means to
6 you, "doctor shopping."

7 A. A person who is going from
8 emergency room to emergency room to emergency
9 room, to different doctors, and getting multiple
10 prescriptions --

11 Q. Okay.

12 A. -- for the same drug.

13 Q. Okay. What it says there is,
14 "That is individuals that go from doctor to
15 doctor faking illnesses to obtain several
16 prescriptions of the same drug."

17 That sounds pretty similar to your
18 definition, right?

19 A. Yes, that's what it --

20 Q. Okay. And you said that's not
21 something that you would be involved in?

22 A. No.

23 Q. Do you have any responsibilities
24 for identifying that if it's happening at any of

1 your stores?

2 A. No, I do not.

3 Q. Do you have any responsibility for
4 investigating that if it's happening at any of
5 your stores?

6 A. No, I do not.

7 Q. Okay. It then goes on to say,
8 "Dealers or abusers also who then burglarize
9 pharmacies."

10 Do you see that?

11 A. Yes, I see that.

12 Q. Does that fall within your
13 purview, investigating burglaries of pharmacies?

14 A. I would -- I'm notified of a
15 burglary. That is when I go -- the pharmacist
16 would be responsible for identifying what all
17 was taken in a burglary, and I would be involved
18 with supplying whatever evidence for the police
19 in their investigation.

20 Q. Okay. But that's going to be an
21 investigation that's led by an outside agency,
22 correct?

23 A. Law enforcement would handle that.
24 It's a criminal --

1 Q. Okay.

2 A. -- criminal activity.

3 Q. And then last sentence we'll read,
4 it says, "And we have had several armed
5 robberies across the states of individuals
6 breaking into pharmacies and seizing OxyContin
7 at gunpoint."

8 Do you see that?

9 A. I do see what you read there.

10 Q. During the course of your time at
11 Walgreens, have any of the pharmacies that
12 you've been involved in supervising been robbed?

13 A. Yes, there's been robberies.

14 Q. Okay. And have there been
15 robberies where the targets of the robberies
16 were controlled substances, such as OxyContin,
17 oxycodone, hydrocodone, those types of drugs?

18 A. Yes, those have been targeted
19 drugs.

20 Q. Okay. And, in fact, I think I saw
21 in some of the documents that Walgreens has
22 recently had to take the step of installing
23 time-delayed safes into a lot of their stores,
24 correct?

1 A. I actually led that project.

2 Every store in Ohio now has steel structured
3 time-delayed safes.

4 Q. Okay. And that was in response to
5 robberies where the targets of those robberies
6 were controlled substances?

7 A. I don't know what the response was
8 or why we did it. I just led to make sure that
9 the rollout and the project went smoothly.

10 Q. Okay. Those are safes for holding
11 drugs, correct?

12 A. Correct.

13 Q. And safes for holding the -- it's
14 not safes for holding blood pressure medicine,
15 but safes for holding --

16 A. Controlled drugs.

17 Q. -- controlled substances, correct?

18 A. Yes.

19 Q. Okay.

20 MR. LEVINE: We've been going
21 almost an hour and a half. Is it a good
22 time for a break?

23 MR. GADDY: Yeah, absolutely.

24 THE VIDEOGRAPHER: Off the record,

1 10:26.

2 (Recess taken.)

3 THE VIDEOGRAPHER: On the record,

4 10:37.

5 BY MR. GADDY:

6 Q. And, Ms. Zaccaro, I should have
7 told you this at the beginning. But whenever
8 you want to take a break, restroom, comfort,
9 whatever, just let me know.

10 A. Okay. Thank you.

11 Q. Sure. One last thing we're going
12 to look at in this document, page 25, using the
13 same numbering system, I'm going to look at the
14 very top of that page, and do you see where it
15 says "The third"?

16 A. Yes, I see.

17 Q. It says, "The third and often
18 largest diversion method are pill mill
19 operations where corrupt doctors or pharmacists
20 conspire with pill traffickers to write or fill
21 fraudulent prescriptions for ghost patients and
22 then sell the drugs on the street at up to
23 100 percent profit."

24 Do you see that?

1 A. Yes, I seen what you've read.

2 Q. Are you familiar with the phrase
3 "pill mill"?

4 A. Yes, vaguely.

5 Q. What does it mean to you?

6 A. Doctors writing prescriptions
7 and -- for people that don't exist and going out
8 and --

9 Q. Is investigating or identifying
10 pill mills something that falls within your
11 purview?

12 A. No, it does not.

13 Q. Let me jump back to your resumé
14 now, which is P-WAG-2414. And --

15 A. May I take this?

16 Q. -- turn with me, please, if you
17 look, it's about six or seven pages in, at the
18 very bottom right-hand corner it says "5 of 17."

19 Are you with me?

20 A. Yes, I see that.

21 Q. And as you can see, the bulk of
22 this is blacked out or redacted, so I just have
23 a couple questions for you. In the middle --
24 top middle of the page, you see there's a place

1 where you made some comments, correct?

2 A. Correct.

3 Q. And the second sentence there, it
4 says, "I have requested training for drug
5 diversion by the Ohio Board of Pharmacy, which
6 is pending approval and should be scheduled."

7 Do you see that?

8 A. Yes.

9 Q. Did you undergo training for drug
10 diversion by the Ohio Board of Pharmacy?

11 A. I don't recall.

12 Q. Okay. Do you recall ever
13 undergoing any training from the Ohio Board of
14 Pharmacy?

15 A. The only thing that I can recall
16 going to the Ohio Board of Pharmacy and
17 participating in anything was a roundtable.

18 Q. Okay. What was the topic?

19 A. I don't remember.

20 Q. Okay. When you see the phrase
21 "drug diversion" in that sentence, what are you
22 referring to there?

23 A. "Drug diversion," to me, as I
24 define it for how it applies to me, is theft and

1 losses.

2 Q. Okay. So as best as you can tell,
3 would this be training related to theft or
4 losses of controlled substances within the
5 pharmacy?

6 A. I don't remember what I was --
7 this was a review from a few years ago.

8 Q. Sure.

9 A. I don't remember what I was
10 identifying or capturing there.

11 Q. What I'm trying to -- what I'm
12 trying to make sure is that there's not some
13 increased role or duty or task that you were
14 involved in or performed that you haven't told
15 me about already.

16 So we've spent a lot of time, I
17 think, with you telling me about your primary
18 duties related to loss or theft within the
19 pharmacy and looking at those adjustment reports
20 or exception reports, correct?

21 A. Correct.

22 Q. Okay. Would this have been
23 anything outside of that?

24 A. Not that I can think of at this

1 time.

2 Q. Okay. You weren't looking into
3 training on identifying doctor shopping or
4 fraudulent prescriptions, correct?

5 A. I don't remember. I don't think I
6 would, because it's outside of my area.

7 Q. Okay. If you did, it wasn't
8 anything that you've used in the course of your
9 employment?

10 A. No, it wouldn't have been.

11 Q. Okay. This wouldn't have been any
12 training on analyzing or making decisions about
13 the size of orders of controlled substances for
14 pharmacies?

15 A. No.

16 Q. Okay. That's nothing that you've
17 even --

18 A. I would never be involved in the
19 ordering.

20 Q. Okay. If you'd flip for me about
21 20 pages or so, it's going to be the next set of
22 numbering. And on the bottom right-hand corner
23 you should have page 5 of 15.

24 A. Okay.

1 Q. Are you with me?

2 A. I am.

3 Q. Okay. And it looks originally --
4 or first you talk about some training and
5 education that you've undergone, and in
6 parentheses there it says "Medication Disposal."

7 Do you see where I am?

8 A. Yes.

9 Q. It says, "Current issues and legal
10 considerations for pharmacists, update on
11 federal controlled substance dispensing
12 responsibilities."

13 Do you see that?

14 A. Yes.

15 Q. Okay. And you go on to say, "I
16 coordinated and participated in the DEA drug
17 take-back event with the Medina County Drug Task
18 Force resulting in a successful collection of
19 231 pounds of prescription drugs."

20 Do you see that?

21 A. Yes, I see that.

22 Q. Okay. And that was -- earlier
23 this morning we were talking about some of your
24 interactions with law enforcement. I think you

1 mentioned some of the community involvement, and
2 that would be what you're talking about here,
3 this drug take-back day with the DEA that you
4 did?

5 A. Yes.

6 Q. Okay. I'm going to show you what
7 I'll mark as Exhibit 7.

8 - - -

9 (Walgreens-Zaccaro Exhibit 7 marked.)

10 - - -

11 BY MR. GADDY:

12 Q. And this is P-WAG-2265. And do
13 you recognize this as being an e-mail from you.
14 It looks like it was sent to a Ms. Foster at
15 DOJ.

16 Do you see that at the very top?

17 A. Yes. I'm sorry.

18 Q. Do you know who Denise Foster is?

19 A. I believe she was the contact
20 person with the DEA office that we coordinated
21 hosting the event for.

22 Q. Okay.

23 A. The drug take-back event.

24 Q. Okay. And if you flip the page,

1 do you see one of the press releases about this
2 particular event?

3 A. Yes --

4 Q. Okay.

5 A. -- I see that.

6 Q. And just reading the -- starting
7 at the beginning, it says, "On April 27 from
8 10:00 to 2:00, the Medina County Drug Task Force
9 and the DEA will give the public its sixth
10 opportunity in three years to prevent pill abuse
11 and theft by ridding their homes of potentially
12 dangerous, expired, unused, and unwanted
13 prescription drugs."

14 Do you see that?

15 A. I do see what you've read, yes.

16 Q. Okay. And does that -- is that
17 describing this DEA drug take-back event that
18 you participated in?

19 A. Yes.

20 Q. Okay. And is this an event that
21 you had participated in previously or is this
22 the first time?

23 A. This would have been the first
24 event that I was involved with.

1 Q. Okay. And in the next paragraph
2 it says, "Last September, Americans turned in
3 244 tons of prescription drugs at over 5,200
4 sites operated by the DEA and its thousands of
5 state and local law enforcement partners. In
6 its previous take-back events, the DEA and its
7 partners took in over 2 million pounds, over
8 1,000 tons, of pills."

9 Do you see that?

10 A. I do see what you've read, yes.

11 Q. The next paragraph, it says, "This
12 initiative addresses a vital public safety and
13 public health issue."

14 You agree with that sentence, that
15 the excess pills that -- particularly controlled
16 substances that individuals may have in their
17 homes can constitute a public safety and health
18 issue?

19 A. I don't know. I can't speak for
20 people's drugs in their homes and how they're
21 handling those.

22 Q. Okay. It says, "Medicines that
23 languish in home cabinets are highly susceptible
24 to diversion, misuse, and abuse."

1 Do you see that?

2 A. Yes, I see that.

3 Q. This -- we see the term
4 "diversion" there, and it looks like it's used a
5 little bit differently in the context that
6 you've used it.

7 Would that be fair?

8 A. Yes. This wasn't my press
9 release.

10 Q. No. Sure.

11 A. Okay.

12 Q. And I'm not -- yeah, no.

13 A. So I don't know how -- I can't
14 speak to how they applied the term diversion in
15 this release.

16 Q. The concept of pills being stored
17 in a medicine cabinet and being obtained and
18 used by somebody other than who the prescription
19 was written for, would that be diversion in your
20 mind, or would that be something else?

21 A. I don't know.

22 Q. Okay. Is that something, other
23 than this -- outside of this context as far as
24 drug take-backs, is that something that you've

1 ever been involved in, investigating or policy
2 or anything in that regard?

3 A. For diversion?

4 Q. Correct.

5 A. Only the internal investigations
6 and matters of the theft and loss --

7 Q. Okay.

8 A. -- is the extent of my
9 involvement.

10 Q. Okay. How was it that you came to
11 be involved with this particular drug take-back
12 program?

13 A. We network in our communities with
14 law enforcement to the extent of introducing
15 ourselves, giving business cards when those
16 opportunities come up, just knowing who to
17 contact if they need any support or assistance
18 with investigations or anything.

19 The drug take-back -- how I became
20 aware of drug take-back day, I can't recall in
21 particular. It may have been just in passing,
22 in conversation. It could have come from our
23 support -- I don't know.

24 Q. Okay.

1 A. And for the drug take-back, we
2 work with law enforcement local, not the DEA.

3 Q. Okay. Let me ask you this: You
4 referenced this earlier, that you've seen in the
5 news media references to issues of abuse and
6 addiction related to opioids; is that fair?

7 A. Yes, that's fair.

8 Q. Okay. Have you seen references in
9 the news media to there being an opioid crisis
10 or an opioid epidemic or things of that nature?

11 A. Yes.

12 Q. Okay. From -- do you agree or
13 disagree with the proposition that's been made
14 in the media and elsewhere that the country is
15 in the midst of an opioid crisis?

16 A. I don't know. I mean, I don't
17 know the statistics. I know there's a crisis.

18 Q. Let me ask you this: Here in
19 Cleveland, do you ever see any evidence of what
20 you would -- what would be referred to as the
21 opioid crisis or opioid epidemic?

22 A. Physically seeing it myself, no,
23 but I am aware of overdose matters in our stores
24 through our security operations center, because

1 those are reported through our security
2 operations center. I'm aware that overdose
3 victims are found in parking lots, not just at
4 our Walgreens, they're found all over the place,
5 and other retailers having the same concerns in
6 the restrooms.

7 Q. Okay.

8 A. Where they come for a safe place
9 to -- I don't know. I don't know why they come
10 there. I have my own opinions, but our
11 pharmacists are actually -- and they do.
12 They -- they're administering the naloxone and
13 the Narcan when we find these instances.

14 Q. Okay. So I understand you to be
15 saying that while maybe you haven't seen it
16 firsthand, that you're certainly aware of the
17 impact of the opioid crisis here in Cleveland?

18 A. Yes.

19 Q. Okay. And it sounds like maybe
20 you're aware of it in a professional capacity
21 based on activity that occurs at the Walgreens'
22 stores?

23 A. I agree, yes.

24 Q. Okay. And you mentioned

1 incidences in store bathrooms. Can you tell me
2 what you're talking about there?

3 A. Our restrooms are public.
4 Folks -- it's happened. I don't know how many
5 times to come up with a number. I don't know.
6 I'm just aware of incidents where somebody will
7 walk in and find somebody on the floors.

8 Q. Okay. And these are people that
9 have -- that are overdosing?

10 A. Some are medical emergencies.
11 Some -- but some of them are -- I don't know for
12 sure if it's overdosing. I'm not the paramedics
13 who respond. I'm not -- I don't know -- if an
14 overdosed person was laying in front of me, I
15 wouldn't know.

16 Q. Okay. Well, we started this
17 conversation in the context of your awareness of
18 an opioid crisis and their impacts in Cleveland
19 and what you -- one of the things that you
20 referred to were incidences that occurred within
21 Walgreens' bathrooms, correct?

22 A. Yeah.

23 Q. And what you're referring to there
24 is what you've interpreted as individuals who

1 are overdosing on opioids within Walgreens'
2 bathrooms?

3 A. I know victims are found in the
4 restrooms. I know -- I don't know if it's
5 overdosed on opioids. I don't know if it's
6 medical conditions. The general information
7 that we get is -- our operation center, security
8 operation center was notified of an unconscious
9 individual found in the restroom.

10 Store managers, in passing, have
11 made comments to me that it was an overdose.
12 What the overdose drug, I can't speak to. I
13 wasn't there when it happened.

14 Q. And these are incidents that have
15 happened in Walgreens' stores throughout the
16 State of Ohio?

17 A. All over the company. And not
18 just Walgreens' stores. When we talk to our
19 colleagues in CVS and Targets, it's everywhere.

20 Q. Okay. And these are incidents
21 that are happening here in Cleveland also?

22 A. Yes, it's happened in Cleveland.

23 Q. Okay. Are there reports related
24 to needles in store bathrooms or in Walgreens'

1 stores?

2 A. I'm not aware. I don't know.

3 That's never been --

4 Q. Okay. You also mentioned reports
5 of individuals overdosing in parking lots?

6 A. They've been found in parking lots
7 on some of the reports that I've seen.

8 Q. Okay. And those are Walgreens'
9 parking lots throughout the State of Ohio?

10 A. Yes.

11 Q. Okay. And in your role in loss
12 prevention, do you have any job duties related
13 to these individuals who are overdosing in
14 Walgreens' bathrooms or overdosing in Walgreens'
15 parking lots?

16 A. No.

17 Q. Similar to what you told us about
18 the Walgreens' bathrooms, do you have
19 individuals -- or are you getting reports from
20 your colleagues about individuals who are having
21 these opioid-related overdoses at other
22 locations in their parking lots, whether it's
23 CVS or Target or Walmart or whatever?

24 A. It's through hearsay that some of

1 the asset protection managers or law enforcement
2 may say, "Yeah, we're having this all over CVS,
3 Target. It doesn't matter."

4 And, again, I can't state that
5 these are opioid overdoses. I only know that
6 they are a person found unconscious.

7 Q. Sure. And these are people that
8 are being found unconscious in Walgreens'
9 bathrooms and/or parking lots?

10 A. Yes.

11 Q. Okay. Has anybody at Walgreens
12 asked you or the loss prevention team to take
13 any steps to address those issues?

14 A. No, they have not.

15 Q. Do you know if there's any other
16 division or department or position at Walgreens
17 who's been asked to take any steps to address
18 those issues?

19 MR. LEVINE: Objection. Lacks
20 foundation.

21 A. I don't know. That's outside
22 of -- I can't speak for what other departments
23 are doing or --

24 Q. Sure. I'm just asking if you've

1 heard about any other departments or divisions
2 or positions?

3 A. No, I'm not aware of any. I'm
4 sorry.

5 Q. Okay. Do you know what the
6 standard operating procedure is to do in those
7 situations when an individual is found to have
8 been -- to have overdosed in the bathroom or
9 parking lot?

10 A. I do not know what the store's
11 response is to that, as far as SO -- or I'm
12 sorry. Standard operating procedure -- we call
13 it SOP. I'm sorry.

14 Q. Sure. No. That's fine.

15 Outside of knowing that there's
16 been individuals who have overdosed in
17 Walgreens' parking lots and bathrooms, are there
18 any other ways, from a professional level, as it
19 relates to your job with Walgreens that you're
20 aware of the impact of the opioid crisis here in
21 Cleveland?

22 A. I mean, I know there's a crisis.
23 The extent of it -- I don't know the details,
24 the facts. It's -- you know, it's all over the

1 media. Other than sitting down and watching the
2 news and seeing what's going on, I don't know
3 what the statistics are. I don't know the
4 greatness or magnitude of it.

5 Q. Okay. If you look at the bottom
6 of this paragraph here, it looks like it's the
7 last sentence about three lines up. It starts,
8 "In addition to this."

9 I'm sorry. I'm back to your
10 performance review.

11 A. Oh, okay. What page are you on?
12 I'm sorry.

13 Q. Same one. I'm sorry. The 5 of
14 15.

15 A. Okay.

16 Q. It says, "In addition to this"
17 about three or four lines up from the bottom,
18 about in the middle of the page.

19 A. Yes, I see where you are.

20 Q. It says, "In addition to this,
21 I've coordinated with Cleveland market district
22 managers and Nancy Pommerening, Executive
23 Director of the Drug Awareness and Prevention
24 Inc., and Walgreens' participation for her

1 mission to include drug awareness education in
2 all of our public schools in the State of Ohio."

3 Do you see that?

4 A. Yes.

5 Q. Do you know what's being referred
6 to there?

7 A. Yes.

8 Q. Tell me about that, please.

9 A. When I was working with local law
10 enforcement to coordinate Walgreens' hosting of
11 the drug take-back days, I was put in contact
12 with Nancy Pommerening. She, like her title
13 speaks, is trying to get in place in every
14 school a 12-week curriculum focused on substance
15 abuse awareness in grades K through 12 in every
16 Ohio public and private school.

17 As part of that, because she is a
18 non-profit organization and she was just coming
19 about, I asked her what Walgreens can do to
20 support her, because I thought it was a
21 wonderful initiative that she was doing. And
22 Walgreens supported her.

23 I was able to coordinate with the
24 district managers the donation of the teachers'

1 binders that would be used and the dividers that
2 she would use for the teachers' binders for
3 schools that signed -- that take on the
4 curriculum. So ...

5 Q. And why did you think that was an
6 important program to take on or to support?

7 A. With the kids, starting before it
8 becomes a problem. Get to them before the
9 awareness -- I mean, and her curriculum was very
10 in-depth and very geared towards, you know,
11 whatever age group. And it talked about the
12 effects, how it starts, the -- I mean it was --
13 I was impressed.

14 - - -

15 (Walgreens-Zaccaro Exhibit 8 marked.)

16 - - -

17 Q. Okay. Let me show you what I've
18 marked as Exhibit 8. And you recognize this as
19 an e-mail chain between you and a John Mormello.

20 MR. GADDY: This is P-WAG-2280.

21 A. Yes.

22 Q. And it looks like your e-mail is
23 in the middle of the page here, and we can look
24 at that. Maybe that will jog your memory about

1 what we're looking at.

2 You say, "Hello John. I was
3 looking at the latest LP Connection on our home
4 page."

5 Is that some loss prevention --
6 that Loss Prevention Connection?

7 A. Yes.

8 Q. Is that an internal newsletter or
9 something like that?

10 A. Yes.

11 Q. "And read about the presentation
12 you gave to the eighth grade class for
13 prescription drug abuse. I have been working
14 with a nonprofit organization whose mission it
15 is to have every public and private school in
16 Ohio incorporate a drug abuse awareness
17 curriculum in their science course. This
18 program is NIDA. To support this, the DMS in
19 Cleveland have approved the donation of supplies
20 for the teachers' manuals."

21 And that's what you were just
22 telling us about with the binders and dividers?

23 A. Yes, sir.

24 Q. And it looks like ultimately here

1 you were asking him for this PowerPoint that he
2 had presented, correct?

3 A. Yes.

4 Q. You go on to say, "We want to
5 offer a pharmacist to guest speak at the schools
6 for the portion of prescription drug abuse and
7 awareness. I am interested in the PowerPoint
8 presentation you gave on this topic to possibly
9 build off of and/or use."

10 Correct?

11 A. Yes.

12 Q. Did you ever get to be involved in
13 any of these presentations?

14 A. No. I was not.

15 Q. Okay. Did -- were you able to
16 follow through with the commitment to donate the
17 binders and the dividers and things like that?

18 A. And -- yes, and we've continued to
19 do that as recently as last year. We're still
20 making donations.

21 Q. Okay. Is John a loss prevention
22 person?

23 A. I don't know.

24 Q. Okay. But, regardless, this is a

1 presentation that John gave to, it looks like,
2 an eighth grade class on prescription drug
3 abuse?

4 A. Yes, that's what it looks like
5 based on --

6 Q. Okay. Do you recall if you did
7 anything with this presentation as presented to
8 you?

9 A. No. I did not do anything with
10 it. I personally have -- can't recall using
11 that and presenting it for anything.

12 Q. Okay. Let's look at a couple of
13 the slides in here.

14 A. Okay.

15 Q. And this doesn't exactly have page
16 numbers, so I'm going to use the end of the
17 Bates number, which is just below the bottom the
18 right-hand corner of the slide.

19 A. Okay.

20 Q. So you see the presentation starts
21 on, what we'll call, page 33?

22 A. Okay.

23 Q. And it says "Prescription Drug
24 Abuse" -- and this is a presentation. It says

1 "By Walgreens."

2 Do you see that?

3 A. Yes.

4 Q. And if you turn to the next page,
5 it says, "What is prescription drug abuse?" It
6 says, "When someone takes a medication that was
7 prescribed for someone else or takes their own
8 prescription in a way different from what was
9 originally prescribed."

10 Do you see that?

11 A. Yes.

12 Q. Do you have any disagreement with
13 this definition of drug abuse that was given in
14 the Walgreens' PowerPoint?

15 A. I don't have a problem with that,
16 no.

17 Q. Okay. I'm going to turn two pages
18 to where it ends in 36, and it says "Common
19 Drugs of Abuse."

20 A. Yes.

21 Q. Do you see that?

22 A. Yes.

23 Q. And the first one listed there is
24 pain medication?

1 A. Yes.

2 Q. Is that consistent with your
3 understanding, that pain medication is a common
4 drug that's abused?

5 A. I don't know. I wasn't the one
6 who compiled this presentation. So to speak on
7 what their -- that person's intentions were with
8 this statement, I can't speak to.

9 Q. Sure. And I'm not asking you in
10 the context of this presentation. I'm asking
11 you just generally, is it -- is that consistent
12 with your understanding that pain medications
13 are a drug that's commonly abused?

14 A. I don't know.

15 Q. Below that it says "Oxy, percs,
16 and Vikes." Do you know what's being referred
17 to there?

18 A. I don't know, but that would be,
19 to me, in my own experience, would be the street
20 names.

21 Q. Okay. Street names of what?

22 A. OxyContin, Percocet, and Vicodin.

23 Q. And those are drugs that you're --
24 you have somewhat of a familiarity with because

1 they're sold in Walgreens' stores, correct?

2 A. Yes.

3 Q. Okay. Do you encounter the street
4 names of those drugs in your professional
5 capacity and in any of the investigations that
6 you would do?

7 A. I have encountered those names
8 attending some law enforcement presentations,
9 and their awareness, and they -- telling us, you
10 know, when you're attending those what is the
11 current targeted drug, the desired drug, what
12 the street names are. So that's how I'm
13 familiar with those names.

14 Q. Okay. And your understanding is
15 those are all controlled substances?

16 A. Yes.

17 Q. Okay. If you turn the page to 37,
18 do you see the title of the slide is Sources?

19 A. Yes.

20 Q. And it says, "Given for free by
21 friend or relative, purchased from a friend or
22 relative, stolen from a friend or relative, own
23 prescription, or drug dealers."

24 Do you see that?

1 A. Yes, I see that.

2 Q. And fair to say that none of these
3 really fall into your purview, at least
4 professionally, in investigating any of these
5 types of diversion of controlled substances,
6 correct?

7 A. Correct.

8 Q. Okay. If you flip for me two
9 pages, please, to the one ending in 39, and you
10 should see a graph of "Unintentional Drug
11 Overdose Deaths."

12 Do you see that?

13 A. Yes, I see that.

14 Q. And do you see -- using the key
15 that's right above the chart, that the top line
16 on the chart is going to relate to opioids, the
17 middle line on the chart is going to relate to
18 cocaine, and the one at the bottom is going to
19 relate to heroin.

20 Do you see that?

21 A. I do see that.

22 Q. And when -- it looks like,
23 according to this chart, beginning in about the
24 year 2000, the opioid and cocaine overdose

1 deaths were pretty much right on track.

2 Do you see that in the year 2000?

3 MR. LEVINE: Objection. Lacks

4 foundation.

5 A. I do see that, but I don't know
6 where this came from or -- I wasn't the one who
7 presented this and who got the data.

8 Q. I understand. I'm not asking if
9 it's accurate. I'm just asking ...

10 A. That's what it does say, what you
11 said, yeah.

12 Q. Okay. And it looks like when you
13 started with Walgreens in 2006, that the opioid
14 deaths had gone, according to this chart, from
15 approximately 3,000 deaths per year up to
16 approximately 11,000 deaths per year.

17 Would that be fair?

18 MR. LEVINE: Objection. Lacks
19 foundation.

20 A. I see what you've read and pointed
21 out, yes, but I don't know the statistics, I
22 mean, other than what is presented here, what
23 you've read.

24 Q. Okay. When you began with

1 Walgreens in 2006, do you recall getting any
2 training or education on the number of overdose
3 deaths related with opioids?

4 A. I don't recall.

5 Q. Okay. Do you recall there being
6 any training or education on procedures,
7 protocols, policies, SOPs, related to dealing
8 with potential customers overdosing from opioids
9 either in your stores or in your parking lots?

10 A. No. That is outside of my area.
11 My training would be about theft and losses.

12 Q. If you turn to the slide ending,
13 for me, in page 46.

14 A. Yes.

15 Q. Do you see another chart on this
16 page?

17 A. Yes.

18 Q. And it looks like at the bottom of
19 the chart, this has a citation. It came from
20 the CDC. Do you see that, Center for Disease
21 Control?

22 A. Okay. Yes, I see that.

23 Q. And do you see that this chart
24 indicates the unintentional drug overdose deaths

1 from 1970 through 2007?

2 A. Yes, I see that. I thought it was
3 2006, though, on the chart. Oh, I see. Never
4 mind. '07's got a --

5 Q. Okay. And when you started in --
6 with Walgreens in 2006, is it fair to say, based
7 on your previous answers, you didn't get any
8 training or education on the rise in the number
9 of opioid deaths related to narcotics; is that
10 correct?

11 A. Not that I recall.

12 Q. At any time since you started at
13 Walgreens, have you gotten any training or
14 education from Walgreens on the number of
15 opioid-related overdoses or opioid-related
16 overdose deaths, either nationally or locally in
17 Cleveland or in the territories that you cover?

18 A. I don't know. Not that I can
19 recall at this time.

20 Q. Okay. I'm still back on this
21 page 5 of 15.

22 A. Okay.

23 Q. And in the middle of the paragraph
24 there, there's a sentence that says -- starts,

1 "I assisted in the presentation."

2 A. Yes.

3 Q. "I assisted in the presentation of
4 information presented to the Cleveland market
5 for good faith dispensing during the Cleveland
6 market road show and presented the February 2013
7 focus on profit, good faith dispensing to store
8 managers during a manager's meeting and
9 discussed this during store visits."

10 Do you see that?

11 A. Yes.

12 Q. So there's a couple of terms there
13 I want to ask you about. The first is the
14 "focus on profit." What is that?

15 A. That is a standard header, at the
16 time, our communications and my department, our
17 weekly -- I think they came down weekly or
18 monthly. It didn't matter what information was
19 coming down, whether it was a change in a
20 process or just raising awareness in something.
21 It was just a standard focus on profit header.

22 Q. Okay. And so the focus on profit
23 is something that's consistently been on that
24 header of communications that are given to you

1 throughout your time at Walgreens?

2 A. As I recall, yes.

3 Q. Okay. And it goes on to say that
4 you "presented the good faith dispensing."

5 Do you see that?

6 A. Yes.

7 Q. What is that referring to?

8 A. Walgreens has in place a good
9 faith dispensing policy and procedure.

10 Q. And I'm aware of that, but my
11 understanding was that was more of a
12 pharmacist's program than a loss prevention
13 program.

14 A. It is.

15 Q. Does it have a loss prevention
16 aspect to it?

17 A. No. And it would have been --
18 anything that I would have done in it is -- this
19 is what it is. This is what it's for. I
20 wouldn't have gotten into the "You do this, you
21 do this, and then you have to do that."

22 So it was just communicating the
23 awareness, "Hey, it's there. This is what it's
24 for."

1 Q. Who would have been the audience
2 for this presentation?

3 A. Are you talking about the road
4 show, the market road show?

5 Q. Yeah. Let me ask about both
6 actually. So what's the market road show?

7 A. Every year there is a road show
8 for the store managers and pharmacy managers who
9 can attend, which there's usually a pretty good
10 turnout for that. And the road show is
11 presented by your district, your region staff.
12 Sometimes we have people from our support office
13 that come to it.

14 But it's really every year just to
15 highlight our year and review, we've done this,
16 this, this, and this, and this is what we have
17 to look forward to coming up in next year. It's
18 a highlight.

19 Q. Would the good faith dispensing
20 have been an aspect of your presentation there?

21 A. If it -- it says it was. It would
22 have just been highlighting, and Walgreens has
23 in place, you know, the good faith dispensing.
24 It would have been a highlight. It wouldn't

1 have been anything detailed.

2 Q. Let me ask you this: Are you
3 involved in writing or drafting the good faith
4 dispensing policy?

5 A. Not at all.

6 Q. Okay. Are you involved in
7 training pharmacists on how to follow the good
8 faith dispensing policy?

9 A. Not at all.

10 Q. Okay. Do you -- have you done
11 anything as it relates to the good faith
12 dispensing policy outside of communicate that it
13 exists?

14 A. That would be the extent of it,
15 that I can recall.

16 - - -

17 (Walgreens-Zaccaro Exhibit 9 marked.)

18 - - -

19 Q. Okay. I'll show this that I'm
20 going to mark as Exhibit Number 9. This is
21 P-WAG-2376.

22 And this looks like this is an
23 e-mail from June of 2012 that was sent from a
24 list serve to a bunch of list serves, correct?

1 A. Yes, that's what it looks like.

2 Q. Okay. And it looks like -- I'm
3 guessing at some of these acronyms, but I see
4 some market loss prevention folks, district loss
5 prevention managers. Would you have been on one
6 of these list serves?

7 A. The DLPs, we would have been
8 district loss prevention managers.

9 Q. Okay. So this is an e-mail that
10 you would have received by way of being on that
11 list serve?

12 A. Yes.

13 Q. Okay. And it indicates -- the
14 e-mail says, "Good morning. Attached are the
15 materials that will be reviewed today during
16 today's videoconference, which include" -- it
17 talks about the "controlled substance action
18 PowerPoint, the good faith dispensing policy,
19 the focus on compliance survey and the focus on
20 compliance pain management cover letter."

21 Do did you see that?

22 A. Yes, I see what you've read.

23 Q. And if we flip to the very next
24 page, you see the first slide of this

1 PowerPoint, "Controlled Substance Action Plan."

2 A. Yes.

3 Q. Do you recall this PowerPoint
4 presentation?

5 A. I do not from that far back.

6 Q. Do you recall having any
7 involvement in a Controlled Substances Act
8 action plan? Does that mean anything to you?

9 A. I don't recall at this time.

10 Q. If you'd turn to -- and these
11 slides are numbered, so I'm going to go to
12 slide 3.

13 A. Okay.

14 Q. And the title of the slide should
15 be "Overview."

16 A. Yes.

17 Q. Okay. And it says, "Due to recent
18 action taken by the DEA, select policies and
19 procedures have been updated to ensure our
20 pharmacists and stores are compliant when
21 dispensing controlled substances."

22 Do you see that?

23 A. I see that.

24 Q. Was there ever a time in which

1 your duties ever changed to relate to controlled
2 substances and ensuring compliance with
3 dispensing policies for controlled substances?

4 A. No. My area is on loss and theft,
5 not -- I have no involvement in the dispensing.

6 Q. Okay. And your area has always
7 been on loss and theft?

8 A. Correct.

9 Q. Okay. If you flip with me,
10 please, to page 11 -- or slide 11. I'm sorry.

11 A. Okay.

12 Q. The title of this is "Exception
13 Stores."

14 Do you see that?

15 A. I do see that.

16 Q. It says that "Walgreens has taken
17 a proactive approach to minimize risk for
18 targeted stores that may be impacted in the
19 future. District and Market Leadership,
20 including Loss Prevention, will be provided a
21 list of exception stores."

22 Do you see that?

23 A. Yes, I see what you've read.

24 Q. What does that mean?

1 A. I don't know what the exception is
2 that's being captured. I don't know.

3 Q. Okay. Let's look at the next
4 bullet point. It says, "Exception stores were
5 identified using the following criteria:
6 Controlled substance volume and trending,
7 proportionality to total business, payment
8 method."

9 Do you see that?

10 A. I see what you've read, yes.

11 Q. With that additional context, does
12 that help explain the previous bullet point
13 about loss prevention being provided a list of
14 exception stores?

15 A. I don't know. It may have.

16 Q. Have you ever been provided a list
17 of exception stores?

18 A. I don't recall.

19 Q. Okay. Do you recall ever taking
20 any action related to an exception store?

21 A. I would -- no, I don't recall, but
22 I would not take action because the exception
23 criteria that was outlined here is not within my
24 area of theft and losses. It's not uncommon for

1 our department to be shared and cascaded this
2 information as an FYI. So we're aware of what
3 the operations, since we've partnered with the
4 operations and tried to support different
5 initiatives with the operations. So we're
6 informed of their initiatives.

7 Q. Does -- and that's what I'm just
8 trying to get an understanding of, is whether or
9 not this was you or somebody else.

10 A. Yes.

11 Q. Do you even know -- the term
12 "exception store," does that mean anything to
13 you?

14 A. No.

15 Q. Okay. The last bullet point says,
16 "Working together, District LP Managers." Is
17 that what you were?

18 A. That would have been me, yes.

19 Q. It says, "Working together,
20 District LP Managers and Pharmacy Supervisors
21 for these exceptions stores are required to
22 complete a Focus on Compliance Pain Management
23 survey."

24 Do you see that?

1 A. I do see that.

2 Q. Have you ever heard of a Focus on
3 Compliance Pain Management survey?

4 A. It doesn't -- no, I don't recall
5 ever hearing that.

6 Q. Have you ever completed or
7 assisted a pharmacy in completing a focus on
8 compliant pain management survey, as far as you
9 know?

10 A. Not to my knowledge, no.

11 Q. Okay. If you flip to --
12 looking -- using the Bates number on the bottom
13 right-hand corner, to page 658.

14 A. Okay.

15 Q. Do you see the title of this
16 document is "Focus on Compliance, June 2012"?

17 Do you see that?

18 A. Yes.

19 Q. Have you ever seen this form
20 before? And you can flip through it. It's a
21 couple pages long.

22 A. I have never seen this.

23 Q. Okay. You saw one of the previous
24 slides we looked at talked about that the loss

1 prevention managers and the pharmacy supervisors
2 wouldn't be involved in receiving these and
3 having pharmacies fill them out. That's never
4 anything you've been involved in, correct?

5 A. No, I was not.

6 Q. Do you have any knowledge or
7 understanding of any pharmacy supervisors that
8 have been involved in your districts doing
9 anything like this?

10 A. Not that I'm aware of. But, I
11 mean, without knowing who that exception list
12 was of stores, we may not have even had any
13 stores, and so he may possibly -- and I'm
14 speculating, and I shouldn't, and I realize
15 that, but unless he needed me for any input on
16 anything or reporting that I could provide him
17 as part of the analysis, that would have been
18 the only involvement. But I do not remember
19 ever seeing this.

20 Q. Have you ever been involved in any
21 training provided by Walgreens, that you can
22 recall, that discussed exception stores or what
23 those were or how they worked or anything along
24 those lines?

1 A. Not to my knowledge, no. I don't
2 recall.

3 Q. Let me ask you this: Do you have
4 an understanding that a part of this case that
5 you're here for to provide testimony about
6 involves Walgreens distributing controlled
7 substances from their warehouses to their
8 stores?

9 Do you have that understanding?

10 A. No, I don't.

11 Q. Okay. Do you have an
12 understanding that there was a period of time
13 where Walgreens had distribution centers where
14 they housed controlled substances and shipped
15 those to their own stores?

16 A. I do know that we had a warehouse
17 that we used that did ship them. I don't know
18 what the shipping practices or anything were. I
19 don't do distribution. Mine was all theft and
20 loss. It would have been done by them.

21 Q. Are there any portions of your job
22 that have ever touched on distribution?

23 A. The only portion of my job is
24 there were occasions, and I can't speak to how

1 many, but it has happened where shipments were
2 sent whether from -- it could have been from a
3 vendor or from a warehouse that was missed and
4 not put in there. And when the pharmacist on
5 duty receives controlled drugs, they have to
6 check it in item for item, and if it's not
7 there, there's a process that they have to
8 follow to notify the distribution.

9 Oftentimes they would call me in
10 the, "What do I do?" panic mode because the
11 Schedule II drug wasn't received. And at our
12 distribution center we had an asset protection
13 loss prevention manager there that I would then
14 contact and see what -- on their end, and if
15 they can confirm or not confirm that it was or
16 was not put into the tote that was ultimately
17 shipped to the store.

18 Q. Okay. You're anticipating exactly
19 where I was going next, so ...

20 A. Okay. I'm sorry.

21 Q. No. No. You did great.

22 So you have -- you are asset
23 protection as it relates to the store, correct?

24 A. Correct.

1 Q. And what I think I heard you just
2 say is that the distribution centers had their
3 own asset protection folks?

4 A. Yes.

5 Q. Okay. Which distribution centers
6 do you deal with?

7 A. Just Perrysburg.

8 Q. Okay. And has that always been
9 the case?

10 A. Yes.

11 Q. Okay. And how many loss
12 prevention or asset protection folks do they
13 have at Perrysburg?

14 A. I'm not sure how many they have.
15 I can only speak that I spoke to, I think, three
16 people in all the years that I've been there.

17 Q. Okay. And as far as you know,
18 those three people were all there at the same
19 time or were they -- do you see what I'm getting
20 at? I'm trying to find out if it's a team of
21 multiple folks --

22 A. Yeah. No.

23 Q. -- or if it's one person?

24 A. It was always one person, and the

1 three -- the change in the three people were
2 changes of position.

3 Q. So as far as you know, there's
4 only been one person there at a time in the --
5 serving as loss prevention or asset protection
6 for the distribution center?

7 MR. LEVINE: Objection. Lacks
8 foundation.

9 A. I don't know. As far as I know.

10 Q. Okay. Are you aware of there ever
11 being more than one person in asset protection
12 or loss prevention at the distribution center at
13 one time?

14 A. I don't know.

15 MR. LEVINE: Objection. Lacks
16 foundation.

17 A. I'm sorry.

18 I don't know what their structure
19 is.

20 Q. So my question is, do you know --
21 can you ever tell me of a time when there was
22 more than one person working in asset protection
23 in the distribution center?

24 A. No, I can --

1 MR. LEVINE: Same objection.

2 A. I cannot. I don't know.

3 Q. Okay. And I think you told me
4 that you've had interaction with the person or
5 persons that were serving in that role for the
6 purpose of verifying an order that was supposed
7 to have been shipped to the pharmacy that maybe
8 didn't show up like it was supposed to; is that
9 fair?

10 A. Yes.

11 Q. Okay. Any other context in which
12 you have interaction with these loss prevention
13 folks that work in the distribution center?

14 A. That's all I can recall at this
15 time.

16 Q. Are there any quarterly or annual
17 loss prevention meetings where loss prevention
18 folks from the different areas, whether it's
19 store or distribution center or corporate, all
20 get together?

21 A. Not that I'm aware of, no.

22 Q. Okay. Are you aware of ever
23 attending any meeting or training session or
24 seminar or anything like that with the asset

1 protection person from the distribution center?

2 A. Not that I can recall. I don't
3 always know who's all in attendance either and
4 their titles and where they're from.

5 Q. Okay. Are there any loss
6 prevention meetings within Walgreens that you
7 attend that are bigger than just your district?

8 A. We have our area teams, field
9 teams for the field people is what is considered
10 me in my role in the field. We have meetings
11 together as groups for field APMs in our same --
12 within our same regions and markets.

13 Q. Okay. How many regions and
14 markets would be encompassed in that?

15 A. It would just be the one.

16 Q. Okay. How many folks like you
17 would be at a meeting like that?

18 A. We have done combined meetings
19 with neighboring regions, all field -- I cannot
20 recall a time that I've ever been in a meeting
21 with anybody from the distribution center.

22 Q. Okay. How many field folks in a
23 region?

24 A. It varies. In the region that I'm

1 in now, there's eight of us, where some regions
2 have an upwards of 26 in the same region.

3 Q. Okay.

4 A. It just depends on -- Chicago has
5 a lot of stores.

6 Q. Sure.

7 A. Chicago is going to have more
8 APMs.

9 Q. Sure.

10 A. So it just depends on the number
11 of stores in any given region and area.

12 Q. Okay. But what I hear you to be
13 saying is you're not involved in any regular
14 meetings with folks who are not APMs?

15 A. We attend meetings with district
16 managers. And, I mean, we attend meetings with
17 MVPs, market vice presidents. I mean, we attend
18 other meetings, but we have --

19 - - -

20 (Walgreens-Zaccaro Exhibit 10 marked.)

21 - - -

22 Q. Okay. Let me show you what I've
23 marked as Exhibit Number 10.

24 A. Okay.

1 Q. And I'll represent to you this was
2 a document provided to us by -- by the
3 attorneys. And you can see in the bottom
4 right-hand corner it's got a date on it of
5 July 18, 2012.

6 Do you see that?

7 A. Yes, I see what -- that.

8 MR. GADDY: This is P-WAG-2084.

9 Q. And at the very top of the
10 document it says "Loss Prevention Department."

11 Do you see that?

12 A. Yes, I see that.

13 Q. Okay. And it's not the easiest
14 document in the world to read, but I'm hoping
15 that you can explain to me some of it and clear
16 some things up.

17 So you see at the very top of the
18 chart there is an individual named Ken Amos.

19 Do you see that?

20 A. Yes, I see that.

21 Q. And do you know who that is?

22 A. At the time he was our divisional
23 vice president. He led our department.

24 Q. Okay. Did you have interactions

1 with him?

2 A. No.

3 Q. Okay. And it looks like below
4 that, on the far right-hand side, there's an
5 individual. His first name is Steve. I don't
6 know if I can get the last name right. But it
7 says "LP Special Investigations"?

8 A. Steve Kroloff, yes.

9 Q. What is "LP Special
10 Investigations"?

11 A. At this time our department also
12 did investigations with employee relations
13 matters. It could have been claims of
14 discrimination, harassment. And those
15 investigations tend to take a lot more time, a
16 lot more involved, a lot more reporting and
17 detailing. And so they created a unit just
18 specifically to do those types of investigations
19 to take them off of our plates and give us more
20 time.

21 Q. Okay. But for our purposes, safe
22 to say that had nothing to do with controlled
23 substances?

24 A. No.

1 Q. Okay.

2 A. I wouldn't think so.

3 Q. Okay.

4 A. I don't know what -- I can't speak
5 to what type of cases are the cases that they
6 had. I didn't discuss those cases.

7 Q. Sure.

8 A. All I know, it was ER cases.

9 Q. ER?

10 A. Employee relations.

11 Q. Thank you.

12 A. Your liability ones.

13 Q. Okay. It looks like the next one
14 over to the left is Megan Eicker, loss
15 prevention administration. It looks like under
16 her is some training and enterprise record
17 stuff? Is that --

18 A. That's what it says, yes.

19 Q. Okay. Do you have any
20 understanding of whether or not that department
21 had anything to do with controlled substances?

22 A. I don't know.

23 Q. Okay. The next entry is Jerry
24 Biggs, organized retail crime.

1 A. Mm-hmm.

2 Q. What's that referring to?

3 A. Organized retail crime are the
4 very significant theft instances in stores, that
5 is the taking of shelf sweeping, going to
6 warehouses, cleaning it, selling it online,
7 selling it's to the little ma and pa shops.

8 Q. These are like professional --

9 A. Rings.

10 Q. Theft rings.

11 A. Organized retail crime rings, yes.

12 Q. Okay.

13 A. Very organized.

14 Q. From your experience, is this
15 related to the front end of the store or the
16 pharmacy?

17 A. I don't know, but folks aren't
18 coming into the stores and stealing the drugs
19 unless it's a burglary or robbery, so I'm going
20 to safely assume that it's all general
21 merchandise in the front of the store.

22 Q. Okay.

23 A. But I don't know the details to
24 their investigations, and if it ever did or did

1 not involve organized retail -- I mean,
2 organized retail crimes is also stealing
3 semi-trucks, and if it's a semi-truck filled
4 about warehouse drugs, it could have. I've
5 never personally heard of that myself with
6 Walgreens.

7 Q. Okay. The next one over is Ed
8 Svihra, director of healthcare loss prevention.

9 Do you see that?

10 A. Yes.

11 Q. Did you know Mr. Svihra?

12 A. Yes.

13 Q. And what was -- professionally
14 what was your relationship with him?

15 A. Professionally minimal with him.
16 I worked with Marcie more than anything.

17 Q. Okay. And what kind -- and Marcie
18 was below Ed?

19 A. Yes.

20 Q. And what was Marcie's role?

21 A. She was a corporate pharmacy
22 manager for loss prevention. And that
23 department in particular was folks that
24 supported us out in the field with reporting

1 that we may not have access to for our
2 investigations.

3 We could get more detailed reports
4 of the same technician who always filled the
5 same drug, and we could kind of get the patterns
6 and histories and have a more -- instead of
7 going through lines and lines and lines and
8 lines and lines.

9 Q. Okay. In what context would you
10 be getting in touch with Marcie and asking her
11 for more detailed reports?

12 A. To discuss maybe a -- and these
13 are all pharmacy contacts that we would have.
14 They're analysts that help us in the field. So
15 if we identify a certain behavior that maybe one
16 of our reports would not help us or support us,
17 and we need additional -- more information, just
18 to kind of connect dots, they would be the ones
19 to say, "Yes, that's the report we can or cannot
20 do or we can narrow this search down for you
21 doing" -- and they would be able to provide us
22 the reports -- reporting that way.

23 Q. Okay. Is this -- would this still
24 be in the context of investigating these

1 negative adjustments or potential theft within
2 the pharmacy?

3 A. Yes.

4 Q. Okay.

5 A. It would be related to that.

6 Q. Are you ever dealing with Marcie
7 in the context of evaluating the amount of
8 controlled substances that a store is dispensing
9 or ordering from a distribution center?

10 A. No.

11 Q. Okay. Do you know where Marcie
12 was located? Is she in a distribution center?
13 Is she in Deerfield, or do you know?

14 A. She's in our support office in
15 Chicago, Deerfield, yeah. She would have been
16 out of there. I believe. She's not in the
17 distribution center, I do know that.

18 Q. Okay. And do you know -- do you
19 have an understanding of any other roles that
20 Marcie fills in that position?

21 A. No, I do not.

22 Q. Do you have an understanding of
23 what the primary duty is of the healthcare loss
24 prevention?

1 A. No, I do not.

2 Q. Okay. There's another individual
3 about halfway down that line under Marcie named
4 Scott Jonkman?

5 A. Yes.

6 Q. Do you know him?

7 A. Yes, I know Scott.

8 Q. And explain to me your
9 understanding of what Scott does and what his
10 role is?

11 A. Same capacity as Marcie, for us,
12 in how I -- my contacts with him.

13 Q. Okay. Again, you get information
14 and reports for him to support your
15 investigations into potential theft from the
16 pharmacy?

17 A. Theft and losses, yes.

18 Q. Okay. The next one over is LP
19 systems planning and analytics. It looks like
20 Kristie Provost.

21 Do you see that?

22 A. Yes.

23 Q. Are you aware of Kristie and her
24 department?

1 A. I do know Kristie, but I don't
2 know what exact role they play.

3 Q. Okay. Do you know what Kristie --
4 specifically what her role is?

5 A. It says here she was the director
6 of LP systems planning and analytics.

7 Q. Outside of that, do you have any
8 understanding of what she does?

9 A. No, I do not.

10 Q. Do you ever have the need to
11 interact with Kristie or her office?

12 A. Kristie has presented a few
13 trainings to our department. One that sticks
14 out most with me -- and I believe she was at
15 that one -- was when we had a new case
16 management system.

17 Q. Okay. IT type stuff?

18 A. Yeah, and she was involved with
19 some of her folks training us on how to navigate
20 that, how to enter, and how to -- and that was
21 just -- case reporting system is our case
22 management system, is what I'm referring to.

23 Q. Okay. Is that the SIMS program
24 or --

1 A. No.

2 Q. Okay. This is an LP system?

3 A. Yeah, this is where we enter our
4 case report details from investigations. I
5 guess I should be more specific. When we have
6 an investigation --

7 Q. Okay.

8 A. -- or a case, this is where we --
9 the data system that we use to enter those
10 details and download evidence and so forth.

11 Q. Okay. In all of -- so we were
12 talking earlier about the investigations that --
13 that you do, and I might get this number a
14 little bit wrong, but I think you said about
15 five to six times a year you're involved in
16 investigation of loss or theft where the --
17 where a pharmacist or a pharmacy tech is a
18 target of that investigation, correct?

19 A. On average, five to six cases on
20 average a year.

21 Q. Okay. And those types of -- any
22 notes or records that you make from those
23 investigations are kept within the system?

24 A. Yes, it would have been, mm-hmm.

1 Q. Okay. And is that a system that
2 you have access to?

3 A. Yes.

4 Q. And is that a system where you can
5 go back historically over time and look at
6 previous investigations?

7 A. It only goes back so far, because
8 it was a new system. So from the time that it's
9 been in place. I don't know what that looks
10 like and how they obtain information, stored
11 information before that.

12 Q. Okay. Do those systems contain,
13 you know, notes not only on how the
14 investigation got started, but your progress
15 over time with the investigation and ultimately
16 the outcome of your investigation?

17 A. When you say "notes," I do mine,
18 and I can only speak for how I enter my case
19 details. Mine are based entirely on facts.

20 Q. Sure. Entries maybe is a better
21 way.

22 A. Facts.

23 Q. Okay. What do you mean?

24 A. I found this on this date. I did

1 this on this date. I contacted this person.

2 This interview was conducted on this date.

3 Person admitted to this, this, this or that.

4 This is the outcome.

5 Q. Thank you. But these are entries
6 that you make into that system?

7 A. If it is my investigation and
8 case, yes.

9 Q. Okay.

10 A. Yes.

11 Q. Okay. And those are things
12 that -- those -- it would be expected that other
13 loss prevention managers utilized the same
14 system for any investigations that they
15 undertake for pharmacists or pharmacy techs who
16 are being investigated for theft of controlled
17 substances?

18 A. That would be the expectation. I
19 can't speak for folks -- other folks' work.

20 Q. About how long has that system
21 been in place?

22 A. Oh, my goodness, I don't know.
23 It's eight, nine -- seven, eight, nine years. I
24 don't know.

1 Q. The bulk of your time at
2 Walgreens, that system was in place?

3 A. To the best of my knowledge, yes.

4 Q. Okay. How did you document your
5 investigations before that system?

6 A. They were -- oh, I'm going back
7 very far now.

8 Q. Sure.

9 A. It was on paper, and we stored
10 everything in files in locked cabinets.
11 Everything was always kept locked and secured.
12 And then there was a retention period locally
13 that we held those. And then after so long,
14 then they were placed into DPI boxes and shipped
15 to support office. And from there, I don't -- I
16 don't even -- I'm not involved in the shipping
17 or anything. I've boxed them and given them to
18 my admin.

19 Q. Sure.

20 A. Beyond that, I don't know.

21 Q. Do you still have any of the paper
22 files from any of the investigations that you
23 did?

24 A. No.

1 Q. Okay. They would have been
2 shipped where?

3 A. I don't know. I don't know where
4 they go from there.

5 Q. Okay. But obviously you still
6 have access to all the reports that you did in
7 the database, correct?

8 A. Yes.

9 Q. What is the name of that database?

10 A. APIS, A-P-I-S.

11 Q. Okay.

12 A. Don't ask me what the abbreviation
13 stands for.

14 Q. I won't.

15 A. Thank you.

16 Q. Okay. Let's go back to the
17 exhibit. On the far left-hand column, it looks
18 like, as far as I can tell, there's no head over
19 there, but there are maybe four operation
20 directors, divisional loss prevention
21 operational directors.

22 Do you see that?

23 A. Yes.

24 Q. And it looks like it's a --

1 there's a Gordon Couffer, a John Jones, Doug
2 Lemmons, and a Mike Womersley.

3 Do you see that?

4 A. Yes.

5 Q. Would one of these four
6 individuals have been your ultimate supervisor?

7 A. No.

8 Q. Okay. It looks like for each of
9 those people -- it says below them are market
10 loss prevention directors. And then below the
11 market loss prevention directors there are
12 district loss prevention managers, correct?

13 A. Yes.

14 Q. And would that be the rectangle
15 that you would fall into?

16 A. The very bottom one, yes, district
17 loss prevention manager.

18 Q. Okay. Which of these four
19 individuals would have been, I guess, your
20 supervisor's supervisor.

21 Does that make sense?

22 A. Yes. It would have been -- oh, my
23 gosh. So those positions were eliminated
24 sometime ago, and I can't remember which

1 division, because the market numbers and
2 everything have all changed.

3 Q. Okay.

4 A. We went from markets to regions,
5 but I believe I was -- what's the market
6 numbers? I can't read them? For some reason I
7 want to say market 7, the top one.

8 Q. Well, I think what they're
9 indicating there is the number of market loss
10 prevention directors.

11 A. Okay.

12 Q. And then below that there's --

13 A. Oh, yes, you're right.

14 Q. Below that there's 92 district.

15 A. Oh, I'm sorry. You know what? I
16 just saw the name. I made it out on there.
17 John Jones would have been mine.

18 Q. Okay.

19 A. My manager's -- my director's boss
20 is who that would have been.

21 Q. Okay. So it --

22 A. I couldn't see the name on here.

23 Q. Oh, no, that's fine.

24 A. Sorry.

1 Q. I know it's hard to time. I'm
2 sorry.

3 So who would -- so John Jones
4 would have been the divisional loss prevention
5 ops director who was over the area that you were
6 covering in Ohio; is that correct?

7 A. I believe so at the time, yes.

8 Q. Okay. And do you know -- I think
9 you said the positions have changed. Do you
10 know if John is still with Walgreens?

11 A. He is not.

12 Q. Okay. Do you know when he left?

13 A. I do not know.

14 Q. Okay. So below John it looks like
15 there were four market loss prevention directors
16 according to this.

17 Do you see that?

18 A. Yes.

19 Q. Okay. And who would your loss
20 prevention director have been?

21 A. John Davis.

22 Q. And is John Davis still with
23 Walgreens?

24 A. No.

1 Q. Okay. Do you know when he left?

2 A. If memory is serving me correctly,
3 it's been three to four years ago.

4 Q. Okay. And what were John Davis'
5 duties as a market loss prevention director?

6 A. I don't know.

7 Q. In what ways did you interact with
8 him?

9 A. He was my director. He was my
10 boss. He did my reviews. He ...

11 Q. Okay. And so would it be fair to
12 say that the way that you interacted with John
13 Davis or the matters in which you interacted
14 with him about would have been related to
15 primarily theft and loss from the stores?

16 A. Yes.

17 Q. Do you know whether or not John
18 Davis had any responsibility regarding the
19 distribution of controlled substances from the
20 distribution centers to the stores?

21 A. I don't know.

22 Q. So we have loss prevention in the
23 stores, and you've told us that there was at
24 least a person who served as loss prevention in

1 the distribution center, right?

2 A. Yes.

3 Q. Okay. And other than the limited
4 interaction that you had with the distribution
5 center person as far as them checking to see if
6 a pill bottle hadn't made it on the truck or
7 something like that, do you have any
8 understanding of what the distribution center
9 loss prevention person did on a daily basis?

10 A. No, I do not.

11 Q. Okay. Are there any other
12 divisions or groups of loss prevention that
13 you're aware of like, for example, is there a
14 corporate loss prevention?

15 A. I don't know.

16 Q. Okay. Do you see the distribution
17 loss prevention reflected on this organizational
18 chart?

19 A. So I guess I want -- I'm not
20 understanding what you're asking with the
21 corporate loss prevention.

22 Q. Okay. Let me come right back to
23 that.

24 A. Okay.

1 Q. Let me ask this first: Is there
2 anywhere on this organizational chart that you
3 see the distribution center loss prevention role
4 identified?

5 A. No.

6 Q. Okay. Are you familiar with how
7 long that position has existed? Has there been
8 a loss prevention person at the distribution
9 center the entire time you've been at Walgreens?

10 A. Yes.

11 Q. Okay. But you don't see it
12 reflected on this organizational chart?

13 A. No.

14 Q. Okay. So back to what you asked
15 about. I asked is there a loss prevention
16 division within corporate, and I think you were
17 asking for some clarification on that.

18 A. Yeah.

19 Q. So we know there's loss prevention
20 in the stores?

21 A. Correct.

22 Q. We know there's at least a person
23 in the distribution center. Are you aware of
24 any other locations, whether it's at a corporate

1 level or whatnot, anything outside of what we've
2 talked about already?

3 So I'm not talking about the
4 special investigations folks. I'm not talking
5 about the ER people, the organized crime folks.
6 I'm not talking about that.

7 A. Okay.

8 Q. I'm talking about anything outside
9 of that at a corporate level or any other level.
10 Are you aware of any other loss prevention teams
11 or groups or organizations?

12 A. I am not, other than what is the
13 breakdown of this structure. That's the only
14 thing I'm aware of.

15 Q. Okay. And the only thing you're
16 aware of that's not on this structure is the one
17 person at the distribution center?

18 A. There's a distribution department
19 and an operations department. I'm unfamiliar
20 with what that distribution structure is for our
21 roles and our titles or anything else. I'm only
22 familiar with the operations structure, which is
23 what you presented here (indicating).

24 Q. Okay. So would it be fair to say

1 that this loss prevention chart only relates to
2 operations, as far as you can tell?

3 A. I don't know, but I would say,
4 yes, based on my knowledge.

5 Q. Okay. Do you have any familiarity
6 with or understanding of the federal rules or
7 regulations regarding the duty of a distributor
8 of a controlled substance, like Walgreens once
9 was, to be on the lookout for or detect
10 suspicious orders of opioids?

11 A. I do not know.

12 Q. Okay. Do those -- does the phrase
13 "suspicious order reporting," does that mean
14 anything to you?

15 A. No, it does not.

16 Q. Is that anything that you've
17 encountered at your time at Walgreens?

18 A. Not to my knowledge. Not at all.

19 Q. Okay. I'll show you P-WAG-1014.
20 This is going to be Exhibit 11.

21 - - -

22 (Walgreens-Zaccaro Exhibit 11 marked.)

23 - - -

24

1 BY MR. GADDY:

2 Q. I want to show you a couple of
3 docs that kind of describe some situations and
4 ask you what role, if any, you would have in
5 these types of matters. This is Exhibit 11.

6 A. Okay.

7 Q. And this is an e-mail chain
8 with -- the formatting is a little bit funky.
9 But if you look at the first page, you see this
10 is an e-mail with a couple folks that we just
11 saw their names on it. One is Ken Amos who is
12 the vice president, correct?

13 A. Yes.

14 Q. Also on this e-mail chain is Doug
15 Lemmons who I think was one of these
16 divisional --

17 A. Market director.

18 Q. -- loss prevention ops directors?

19 A. Yes.

20 Q. And Ed Svihra who was in charge of
21 healthcare loss prevention, correct?

22 A. Correct.

23 Q. Okay. Ed -- looks like there's
24 some stuff here that I can't see and ask you

1 about.

2 Do you know if any of those folks
3 are attorneys?

4 A. I don't know.

5 Q. Okay. And if you'd look -- go to
6 the bottom of the page that ends 887.

7 A. Okay.

8 Q. Or actually, I guess, because of
9 formatting, it's the whole page. But you see at
10 the top this looks like an e-mail from Ed
11 Svihra.

12 Do you see that?

13 A. I see -- I don't know if it's
14 from. It doesn't have the from, but in the
15 formats -- I don't know.

16 Q. Okay. Well, regardless, it has
17 Ed's name up there. Then below there's the date
18 of January 14, 2011.

19 Do you see that?

20 A. I do see that, sir.

21 Q. And it looks this e-mail was to
22 Ken Amos and copied on it were Doug Lemmons and
23 Marcie Ranick.

24 Do you see that?

1 A. I do see that.

2 Q. And Marcie is the person that you
3 talked about earlier that you would occasionally
4 get reports from to help you with your theft
5 investigations?

6 A. I would contact her. Whether she
7 pulled, generated, or anything, she may have had
8 one of her analysts and team members -- she may
9 have deferred to that. But I did contact her --
10 I have contacted her in the past.

11 Q. Okay. And the subject of the
12 e-mail is Fort Pierce, and then the body of the
13 e-mail says, "Ken, here's some simple analysis
14 for the prescriptions at Store 4391 in Fort
15 Pierce, Florida."

16 And you see at the top the chart
17 says, "Total prescriptions versus C-II
18 prescriptions"?

19 A. I do see what you've read, yes.

20 Q. Okay. And if you flip to the next
21 page, it says for October, total prescriptions
22 rose 3.4 percent, and for C-II prescriptions,
23 they rose 137 percent.

24 Do you see that?

1 A. I do see what you read, yes.

2 Q. And in November, 18.2 for total
3 and 274 percent increase in Schedule II
4 controlled substance prescriptions.

5 Correct?

6 A. I see what you've read, correct.

7 Q. And, again, in December, a quarter
8 increase, 25 percent increase in total
9 prescriptions, and a 212 percent increase in
10 Schedule II prescriptions, correct?

11 A. Correct. I see what you've read.

12 Q. Okay. It then gives a breakdown
13 of Schedule II prescriptions in the next chart,
14 correct?

15 A. I don't know. I've never seen
16 this. I don't know what that breakdown is, what
17 it consists of. I -- this is in Florida. I'm
18 in Ohio. I don't know.

19 Q. Okay. The title of the next chart
20 is "Breakdown of C-II Prescriptions."

21 A. That's what it says, yes.

22 Q. Okay. And then if you look at
23 those charts, it gives the numbers -- or
24 purports to give the numbers for 2009, 2010, and

1 then the percentage of the increase in the last
2 column?

3 A. That's what it says, yeah.

4 Q. Okay. And the percentage of
5 increases on a monthly basis, it's 137 percent
6 increase one month, then 274 percent increase,
7 then 212 percent increase, and then a
8 204 percent increase, correct?

9 A. That is what it says, yes.

10 Q. Okay. Are -- and I'm asking about
11 this because three -- I think three of the four
12 people in this e-mail chain, or maybe all of
13 them, are loss prevention folks.

14 So my question for you is, do you
15 ever review this type of information for any of
16 the pharmacies that fall within your purview?

17 MR. LEVINE: Objection to form as
18 to preamble.

19 A. No.

20 Q. Okay.

21 A. We would focus on theft and
22 losses, not prescription quantities.

23 Q. Are you aware of anybody within
24 Walgreens that is monitoring this type of

1 information for your stores?

2 MR. LEVINE: Objection. Lacks
3 foundation.

4 A. I do not know.

5 Q. Okay. Are you aware of anybody
6 within loss prevention at Walgreens that looks
7 at this type of information for your stores?

8 MR. LEVINE: Same objection.

9 A. I do not know.

10 Q. I'll show you another one.

11 MR. GADDY: P-WAG-2354.

12 - - -

13 (Walgreens-Zaccaro Exhibit 12 marked.)

14 - - -

15 BY MR. GADDY:

16 Q. This is going to be Exhibit 12.

17 A. Okay.

18 Q. And this is back in Ohio, and it
19 looks like, if you look at the top, this is
20 another e-mail exchange between you and a
21 pharmacy manager.

22 A. Michaela, yes. She was the
23 pharmacy manager at that location then.

24 Q. Okay. So if we start -- it looks

1 like the first e-mail in this chain is at the --
2 starts about halfway down the first page.

3 A. Okay. Yes.

4 Q. It's an e-mail from you to
5 Michaela on June 19th, 2012, correct?

6 A. That's what it says, yes.

7 Q. Okay. You say, "Hello Michaela.
8 Please review the large overbuys identified in
9 the LPXRX report."

10 And then you give the drug numbers
11 there, correct?

12 A. Yes.

13 Q. And you say, "And verify that the
14 on-hands are correct. Please update me as to
15 your findings."

16 A. Yes.

17 Q. Okay. And is this similar to what
18 we looked at earlier in the day where this is
19 your exception report?

20 A. Yes.

21 Q. Okay. And what you're looking for
22 in these types of reports are negative
23 adjustments that might catch your attention or
24 large amounts of on-hand product that might

1 catch your attention?

2 A. Yes. In this one, I was looking
3 at large overbuys. So ...

4 Q. With what does an "overbuy" mean?

5 A. That is in the last column, and
6 that overbuy and how that number is -- comes
7 from is if you see the difference between your
8 total purchases, minus what has sold, that is
9 your number there. So, in other words, we have
10 2,006 -- four bottles, because this is a
11 500-count bottle. We have four bottles. Why do
12 we need four bottles?

13 Q. Okay. So when you review this,
14 just looking at the very first line for the
15 hydrocodone, you're suspicious of why there's --
16 why the store needs to have four bottles on
17 stock?

18 A. I ask questions why, yes.

19 Q. Sure. And that's part of your job
20 duties and it's something that you're supposed
21 to be doing as a loss prevention person,
22 correct?

23 A. Correct.

24 Q. Okay. And if we look at the other

1 ones that you were asking about, if we go to the
2 second page or, you know, the next page, you
3 asked about 683050, which is, I think, the
4 second one on that page?

5 A. Reyataz, yes.

6 Q. Okay. And what caught your
7 attention about that one?

8 A. Well, it would be three bottles,
9 180, but in particular, it's a very expensive
10 drug.

11 Q. Okay.

12 A. Which means if, we are not going
13 to fill from it and it doesn't get filled from,
14 we've just paid for something that we don't
15 need. It's about the profit. Because if they
16 expire and we don't fill it within those --
17 before the expiration dates, we have to return
18 them, and the credit that you get is much
19 different than what our cost is, and our costs
20 on that -- it's an HIV drug. So yeah.

21 Q. Okay. So not only are you
22 reviewing these exception reports to look for
23 potential loss or theft, but you're also looking
24 for potential leakage as far as profits?

1 A. Yes, just to make sure that the
2 store --

3 Q. Okay. A little more than halfway
4 down the page, there was another drug that you
5 asked about, 427079.

6 Do you see that?

7 A. Yes.

8 Q. And that is an entry for oxycodone
9 30 milligrams?

10 A. That's what I see, yes.

11 Q. And these are, looks like, 100
12 count bottles?

13 A. Those are, yes.

14 Q. And it looks like there's an
15 overbuy of over six bottles?

16 A. Yes.

17 Q. And why did that pique your
18 interest?

19 A. In my mind, and what I focus on
20 and what I look at, that's more than what we
21 need.

22 Q. Okay. From your analysis, this
23 store had a lot of oxycodone on hand?

24 A. Of this strength. Without -- I

1 mean, I -- that doesn't -- all the strengths are
2 not even included on this report, but of this
3 strength, it captured it as an overbuy, a high
4 overbuy.

5 Q. Okay. There was enough oxycodone
6 on hand at this store that made you e-mail the
7 pharmacy manager and ask him about it; is that
8 fair?

9 A. That's fair, yes.

10 Q. Okay. And if you go down, it
11 looks like three, there's an entry for 676915,
12 Hydromorphone that you asked about?

13 A. I'm sorry, which one was that?

14 Q. 676915.

15 A. Yes.

16 Q. And that's for another controlled
17 substance, hydromorphone?

18 A. Yes.

19 Q. Okay. And what was it that piqued
20 your interest and caused you to ask this
21 pharmacy manager about that particular drug?

22 A. Again, from the very onset of my
23 e-mail, it was high overbuys.

24 Q. So far it looks like this store

1 has four extra bottles, 500-count bottles of
2 hydrocodone, some HIV medication that you think
3 they may have ordered too much of, six extra
4 bottles of oxycodone 30 milligrams, and five
5 extra bottles of hydromorphone that they have in
6 stock, correct?

7 A. So -- yes.

8 Q. Go ahead.

9 A. But my inquiries also are because
10 you have to understand, and it's hard to
11 explain -- our ordering system in SIMS. I don't
12 want to say our ordering system because I'm not
13 involved in that ordering system, but our SIMS.
14 If an order is generated and then somebody comes
15 in and starts a new order, if that order sits
16 there, we have been able to identify that it
17 will sometimes auto post on product that we
18 received or the product that posted was received
19 when we physically did not get that.

20 So sometimes it's that paper
21 shrink in losses that I'm honing in and
22 narrowing. When I see these overbuys, it may be
23 because these reports are capturing something
24 that isn't even there, actually. So I'm more

1 trying to make sure that our -- we don't have
2 any theft or loss concerns in the form of making
3 sure the product is -- we have it.

4 Also for our patients. If we're
5 posting product that we didn't receive and we
6 get a prescription and we can't fill a
7 prescription, we can't take care of our patients
8 who are coming for their medicines.

9 So the -- there's a -- the
10 whole -- and I can't speak to June 19th of 2012
11 if that was my concern was, we have too many,
12 it's going to expire. You know, and sometimes
13 the needs of these stores will sometimes know --
14 the pharmacy managers know that there might be a
15 buyout of a little ma and pa pharmacy down the
16 street. So they increase their orders to make
17 sure that -- in the assumption that they're
18 going to be getting increased prescriptions for
19 things, they might -- I can't speak to the
20 store's ordering.

21 Q. I understand that.

22 A. Yeah.

23 Q. And I'm not asking you to get
24 inside the mind of the pharmacist --

1 A. Yes.

2 Q. -- or the manager.

3 A. Bottom line is, is you have it.

4 Is it there? That's what I want to know.

5 Q. But what causes you to ask those
6 questions is the fact that they have all these
7 bottles of these controlled substances?

8 A. Yes.

9 Q. According to the printout.

10 A. Because I'm aware of
11 investigations where people go in and increase
12 their orders as a means of having it there for
13 their own personal theft concerns.

14 Q. Okay. And this is information
15 that you've gathered from your career at
16 Walgreens investigating other cases where
17 pharmacists and techs have engaged in theft of
18 controlled substances from a Walgreens pharmacy?

19 A. Yes.

20 Q. The last drug that you asked about
21 is three from the bottom, 673036, alprazolam?

22 A. Yes.

23 Q. And same issue there, they have
24 them as three 500-count bottles on hand,

1 according to the exception report?

2 A. Yes.

3 Q. Okay. And so it looks like after
4 you asked Michaela to provide you some
5 information, it looks like she responded fairly
6 quickly, the next day?

7 A. Yeah, Michaela is a good pharmacy
8 manager.

9 Q. She said, "I actually did the
10 report this weekend. I double checked these
11 particular drugs and the on hands are correct."
12 So she's telling you that what you
13 have listed in your exception report is
14 accurate?

15 A. Well, this is an ending date
16 June 12th. So her on-hands for the first
17 drug -- we're just going to take that. It says
18 3893. Her count may not have been 3893 that
19 day, but she does an on-hand actual live count
20 for that moment that day. All the on-hands were
21 correct.

22 Q. Okay. So then she says, "For the
23 first drug," which was the IV medication that
24 you mentioned. Says, "It's an IV med so we have

1 one extra bottle on the shelf because we are in
2 COE."

3 What does that mean?

4 A. I don't know what COE stands for,
5 but they are a store that has a high population
6 serving HIV patients.

7 Q. Okay. So then she says, for the
8 next one, the one that ends 915, which looks
9 like that's the hydromorphone?

10 A. Yes.

11 Q. She says, "The 8-milligram was on
12 back order for a while so we had increased the
13 4-milligram because we were having the scripts
14 changed, but believe me, we will go through
15 this."

16 Do you see that?

17 A. Yes.

18 Q. What do you understand her to be
19 saying there?

20 A. When we -- when it was on back
21 order, that means it wasn't available from the
22 vendor, the warehouse.

23 Q. So it looks like there was --
24 maybe there were prescriptions being written for

1 a particular --

2 A. Strength.

3 Q. -- strength, and to make sure that
4 she could fill those prescriptions, she ordered
5 what she could get, which was a lower strength
6 and -- to be able to fill those prescriptions;
7 is that your understanding?

8 A. I don't know.

9 Q. Okay. But regardless, she says,
10 "But believe me, we will go through this."

11 Do you see that?

12 A. Yes.

13 Q. She's indicating to you that she
14 doesn't have any concern that she's going to be
15 able to dispense all that hydromorphone,
16 correct?

17 A. I don't know what her intentions
18 were with that statement.

19 Q. Okay. In the next sentence she
20 says, "As far as the other drugs go, they are
21 highly," in all caps, "used medications and
22 we'll have no problem using them."

23 Do you see that?

24 A. I see what she wrote, yes.

1 Q. Okay. And by the other drugs, the
2 ones that she hadn't covered so far, that would
3 be the hydrocodone, correct?

4 A. She didn't reference that WIC
5 number specifically.

6 Q. Well, you asked about five --

7 A. She said, as far as the other WIC
8 numbers, they are highly used.

9 I'm sorry. What was your question
10 again?

11 Q. Sure. So you asked about five WIC
12 numbers, right?

13 A. Correct.

14 Q. You asked about the HIV drug?

15 A. Right.

16 Q. You asked about the hydromorphone?

17 A. Correct.

18 Q. And she gave you specific
19 explanations for the reasoning for those, right?

20 A. Correct.

21 Q. You also asked about hydrocodone,
22 oxycodone, and alprazolam, correct?

23 A. Correct.

24 Q. And what she wrote is, "As far as

1 the other WIC numbers go, they are highly used
2 medications and we'll have no problem using
3 them."

4 A. Okay.

5 Q. Correct?

6 A. Yes. I don't know what she means
7 by "highly used." I don't do the filling, the
8 prescriptions, the -- I don't do any of that.
9 My concern is on theft and loss, and my
10 response, the very next thing, "I just want to
11 make sure they were all here."

12 Q. Okay. Do any part of your duties
13 whatsoever involve looking out for the potential
14 that drugs are being dispensed to people that
15 shouldn't get them?

16 A. No.

17 Q. Okay. When you see a pharmacy
18 manager tell you that hydrocodone, oxycodone,
19 and alprazolam, that the store has in quantities
20 that caused you to raise a question about why
21 they had that much, when they tell you that
22 they're highly used medications and that the
23 pharmacy will have no problem getting rid of
24 them, does that raise any red flags for you

1 whatsoever?

2 A. It wouldn't, because I'm not on
3 the sales, the number of prescriptions they get
4 for whatever drug. This is a high-volume store,
5 high-volume pharmacy. They get a lot of
6 prescriptions for all drugs. I don't know. I
7 can't speak to that. I don't have any
8 involvement in that. Mine is on theft and loss.

9 Q. Okay. I show you P-WAG-2371,
10 which I'll mark as Exhibit 13.

11 A. Okay.

12 - - -

13 (Walgreens-Zaccaro Exhibit 13 marked.)

14 - - -

15 BY MR. GADDY:

16 Q. And this is an e-mail -- it looks
17 like, if you look at the very top of the page,
18 it's an e-mail between you and a store manager
19 from back in July of 2007.

20 Do you see that?

21 A. Yes.

22 Q. Okay. If you go to, it looks
23 like, the bottom of page 3.

24 A. Yes.

1 Q. It looks like -- we see the very
2 first e-mail in the exchange, and it looks like
3 it comes from the store manager of Store 5031,
4 and it's sent to you. And the subject is "NSF
5 Checks."

6 A. Correct.

7 Q. What does that mean?

8 A. Non-sufficient fund checks.

9 Q. Okay. So that's somebody that's
10 tried to pay with a check that didn't go
11 through?

12 A. Correct.

13 Q. Okay. And if we turn the page and
14 go to the last page, it looks like that's the
15 entry that was copy and pasted and sent to you
16 by this particular store manager?

17 A. Yes.

18 Q. Okay. And it seems to indicate
19 that a particular patient, a [REDACTED], on a
20 date in May 2007 tried to write a check for
21 \$1,018.88 and apparently that check bounced?

22 A. Yes.

23 Q. Okay. And Ryan writes to you and
24 says, "Is there a way to see what she bought, et

1 cetera, to see if we got scammed? I saw it on
2 and my NSF this month. Wow."

3 What is he -- explain for me what
4 he's asking you to do there.

5 A. "Is there any way to see what she
6 bought, et cetera, to see if we got scammed?"

7 I don't know what he meant as far
8 as "got scammed." This is a loss that would
9 have been incurred to the store. We were out
10 the \$1,018, which is why he brought it to my
11 attention. I don't know what was bought with
12 that check. It's not in this. The only thing I
13 can speak to is my next comments where I ask
14 about prescriptions and if they were legit.

15 Q. Okay. So you reference -- it
16 looks like you reference a separate e-mail that
17 maybe we don't have?

18 A. I don't know. Yes. I don't know.
19 I'm sorry. I don't know.

20 Q. No. That's fine.

21 But you say, "Reference the
22 purchase item you detailed in the other email.
23 I am not sure. Were the prescriptions legit? I
24 am in Chicago for figures through Friday, but

1 I'll definitely look into this. My concern,
2 too, is the amount and the controlled substance.
3 Is this a customer or an employee?"

4 Do you see that?

5 A. Yes.

6 Q. And it looks like Ryan responds to
7 you above, and he says, "This is a customer.
8 This script is legal. She gets it monthly from
9 Walgreens."

10 A. Okay.

11 Q. Correct?

12 A. Yes.

13 Q. Okay.

14 A. So he would have obtained the
15 purchase details himself, and it looks -- I
16 don't know, but what is detailed here is what he
17 detailed in the other e-mail to me.

18 Q. Okay. If we keep reading, the
19 next thing is you write -- you ask Ryan, "Does
20 she usually write a check for it?"

21 And it looks like just above that
22 he responds, "That I am not sure of. Matt said
23 she is in trouble with her narcotics. She is
24 always trying to fill early. He wasn't sure how

1 she pays. Looking at history, usually her
2 insurance covered it for a 30-dollar copay."

3 Do you see that?

4 A. I do see that.

5 Q. And it looks like you follow up
6 again and you ask Ryan, "Why not this time?"

7 Presumably you're asking why
8 didn't the insurance cover it this time?

9 A. I don't know.

10 Q. Okay. And if you look just above
11 that, Ryan responds, and he says, "Looking at a
12 history, she has paid for scripts before at
13 Store 10220, one for \$347, one for \$3,935 on
14 3/12 and 3/21. She paid cash for a script at
15 Store 3281 on 4/4 for \$676. Then she came to
16 our store on 5/24 and paid cash of \$1,018 and
17 that check bounced.

18 "We might need to check these
19 other stores to see if they have a bounced check
20 for these scripts."

21 Do you see that?

22 A. Yes.

23 Q. It goes on to say that, "She is on
24 third-party Ohio Med. Matt said he thinks it

1 was a prior authorization issue and she paid for
2 it because she couldn't wait for it. But then
3 she went to Store 4159 the next day and got 90
4 more on her insurance."

5 Do you see that?

6 A. Yes.

7 Q. He then says, in all caps, "Major
8 issues here."

9 A. Correct.

10 Q. What are the major issues that's
11 being -- that are being identified?

12 A. I don't know.

13 Q. When you look at what Ryan wrote
14 you here, is there anything about that history
15 that he describes to you that raises any flags
16 for you?

17 A. So one of the things that raises
18 flags to me is anybody paying cash for any
19 prescription.

20 Q. Why does that raise a flag?

21 A. Store pharmacists, in
22 conversations with me, have associated that to
23 fraudulent prescriptions.

24 Q. Okay.

1 A. Most people pay with their
2 insurance or they're trying to deceit, hide or
3 something. I don't know for sure, but those are
4 the things that caution -- that sticks out to
5 them as red flags, and then they report it to
6 the Board of Pharmacy.

7 Q. Okay. Anything other than the
8 cash payments that stand out to you?

9 A. The bounced check. We're not
10 going to get paid.

11 Q. Okay. The -- not this e-mail from
12 Ryan but the previous one. Do you see where he
13 says, "Matt said she's in trouble with her
14 narcotics. She is always trying to fill early."

15 Is the early refill, the attempts
16 to refill early, does that raise any flags for
17 you?

18 A. It does, but that doesn't
19 necessarily mean that he filled it. I don't
20 know if he filled it or not, but he may -- she
21 may have come in but that doesn't necessarily
22 mean that they filled it. We have people coming
23 in for early fills on everything. I've been in
24 passing in several pharmacies where I've been

1 standing in earshot and patients are told, "I'm
2 sorry. This is -- you can't fill it until after
3 this date."

4 Q. Okay. And I'm not -- I'm not
5 making any criticisms --

6 A. Yeah. No. I understand.

7 Q. -- about whether or not it was or
8 wasn't filled.

9 A. Yeah.

10 Q. I'm just asking whether or not
11 that's an issue that raises a flag for you.

12 A. Not for me --

13 Q. Okay.

14 A. -- because I'm not with the
15 dispensing as much. I would be more concerned
16 with the coaching and asking the questions for
17 the pharmacists or the pharmacy manager to make
18 sure that before we report anything, we know
19 what the concern is. We're not just going to
20 suspect. My feelings and how I do my work is
21 I'm not going to refer anything to anybody
22 unless we know for sure.

23 So my -- and Ryan, you should
24 note, is a registered pharmacist as well. He's

1 a registered pharmacist that is a store manager.
2 He's no longer with us, as of a couple years
3 ago, but he was also a registered pharmacist.

4 Q. Okay. And this type of
5 information, as far as how prescriptions are
6 paid for, is that something that you have any
7 involvement with reviewing or analyzing?

8 A. No.

9 Q. Okay. How would -- obviously we
10 see how you're informed of it in this situation.
11 Is this the type of situation in which you would
12 learn that type of information?

13 A. Not usually, no.

14 Q. Okay. How else would you ever
15 learn that information about how patients are
16 paying for their prescriptions?

17 A. I wouldn't know.

18 Q. Okay.

19 A. It was just the comment that Ryan
20 made because it alerted him, knowing in his
21 experience as a pharmacist the flags that come
22 up with suspicion of, you know, deceit and
23 trying to obtain these drugs.

24 Q. Okay. But regardless of who

1 brought it up or what flags were raised, it
2 looks like she was able to fill multiple
3 different prescriptions and pay cash on several
4 different occasions for those prescriptions?

5 A. I don't know that. I don't -- I
6 didn't see her history, but based on what Ryan
7 outlined there, that's what it says.

8 Q. Okay. If you go to the first page
9 at the bottom, it looks like you then raised the
10 question, "Is the same doctor writing all these
11 prescriptions?"

12 Correct?

13 A. Yes.

14 Q. Your mind is going to doctor
15 shopping?

16 A. I'm just giving them any
17 possibilities of everything that we need to
18 present and rule out what our suspicions are,
19 what concerns are there, before they refer it to
20 the board.

21 Q. Okay. And Ryan responds to you
22 that, "Yes, it was the same doctor." And then
23 your ultimate -- the last correspondence we have
24 is, you say, "Wow. I know the pharmacy board

1 has alerts in place for when someone has
2 multiple doctors. Are you aware of anything in
3 place for anything like this?"

4 Tell us what you're saying there.

5 A. I don't know what alerts they
6 have. It's just been in passing in comments by
7 investigators that I've worked with from the
8 board. I don't know what the alerts are. I'm
9 just aware that they have something because
10 other investigators have said, "Oh, we know. We
11 have flags," you know, just like there are
12 exceptions maybe -- I don't know.

13 Q. Would this customer -- was this
14 customer cut off and prevented from filling
15 prescriptions anymore?

16 A. I don't know.

17 Q. Okay. Is there any policy that
18 you're aware of within Walgreens that would have
19 said that this customer should have been cut
20 off?

21 A. I don't know. I don't do the
22 dispensing of the prescriptions. I don't know
23 what SOPs they have to reference, follow, or
24 anything. I -- ours is theft and loss. We've

1 lost out 1,800 bucks on an NSF check. That's
2 where I got looped in.

3 The rest of it was all additional
4 commentary from the store manager that really
5 was nothing that I could do with, but I could at
6 least give them direction on the right questions
7 to make sure what our -- what we're reporting to
8 the board.

9 MR. GADDY: Okay. Ms. Zaccaro, if
10 this is a good time for you, I think
11 we'll break for lunch.

12 THE WITNESS: That's okay. I'm
13 always hungry.

14 MR. GADDY: All right. Great.
15 Thanks.

16 THE VIDEOGRAPHER: Off the record,
17 12:21.

18 - - -

19 Thereupon, at 12:21 p.m. a lunch
20 recess was taken until 12:58 p.m.

21 - - -

22

23

24

1 Wednesday Afternoon Session
January 16, 2019

2 12:58 p.m.

3 - - -

4 THE VIDEOGRAPHER: On the record,
5 12:58.

6 CROSS-EXAMINATION (CONT'D.)

7 BY MR. GADDY:

8 Q. Welcome back.

9 A. Thank you.

10 Q. You mentioned earlier that there
11 were -- you could recall three different people
12 who had served as the asset protection person at
13 the distribution center in Perrysburg?

14 A. Mm-hmm.

15 Q. What were their names?

16 A. Jeremy Willis, which is who was
17 there for quite some time. There's a woman
18 there now who I've never dealt with anything
19 insofar as lost in transit. I just know of her
20 because sometimes we have coordinated meetings
21 when I covered the Toledo area, we used that
22 facility because of the space, and I just -- I
23 recall somebody in between them, but I can't
24 remember the names.

1 Q. Okay. So Jeremy Willis, a female
2 now, and somebody in the middle that you don't
3 remember?

4 A. I don't remember the names, yeah.
5 I'm sorry.

6 Q. Okay. Do you know a woman named
7 Jenn Diebert?

8 A. Yes.

9 Q. Okay. Is that the person -- the
10 female you're thinking of, or is that somebody
11 else?

12 A. No, that's somebody else.

13 Q. Okay. In what capacity do you
14 know Jenn Diebert?

15 A. Jenn Diebert, usually if there's
16 like fixtures that we might get from the
17 warehouse sent to the stores, sometimes if
18 they're out of stock with things, I can call
19 her. If we're looking for something. And I've
20 never dealt with Jen, in my recollection, with
21 matters in pharmacy, missing drugs. I've always
22 worked with the APM. Jenn I've dealt with for
23 matters from our front end operations,
24 merchandise concerns.

1 Q. Okay. What about Deb Bish?

2 A. Deb Bish, that name doesn't sound
3 familiar.

4 Q. Okay.

5 A. I can't recall.

6 Q. I want to ask you a couple
7 questions now about Walgreens' suspicious order
8 monitoring program. Does that mean anything to
9 you?

10 A. No.

11 Q. Okay. And I'm not trying to make
12 you an expert in something you don't know
13 anything about. But I'm going to ask you about
14 some references to loss prevention that I see in
15 these policies and ask you if you can shed some
16 light on those references and what they might
17 mean by that.

18 A. Okay.

19 - - -

20 (Walgreens-Zaccaro Exhibit 14 marked.)

21 - - -

22 Q. First is P-WAG-5187, which I'll
23 mark as Exhibit 14. And do you see this is a
24 Walgreens document entitled

1 "Intercepted/Suspicious Store Orders"?

2 A. I see what you've read, yes.

3 Q. And it's got a project number, and
4 it indicates that this is version 1 of that
5 document, correct?

6 A. That's what it says, yes.

7 Q. And the date on this is
8 February 2009?

9 A. That is what you're -- yes, I see
10 that.

11 Q. Okay. And it says this is
12 prepared by Ora Yelvington. Do you know who
13 that is?

14 A. That name is unfamiliar to me. I
15 do not know.

16 Q. Okay. If you turn to -- at the
17 bottom right you'll see it says page 3 of 15.

18 A. Yes, I see that.

19 Q. Okay. And at the top left of that
20 page, and it looks like the second heading down,
21 it says "Overview."

22 Do you see that?

23 A. Yes, "Overview."

24 Q. The first sentence, it says, "The

1 Controlled Substances Act is the primary federal
2 law regulating the flow of controlled substances
3 into the marketplace for medical purposes."

4 Did I read that correctly?

5 A. Yes, you read that correctly.

6 Q. Do you have -- do you know what
7 the Controlled Substances Act is?

8 A. No, I do not.

9 Q. Okay. It says, "Among other
10 requirements, the act requires that distributors
11 register with the DEA to sell controlled
12 substances to retail pharmacies and report to
13 the DEA suspicious orders."

14 Do you see that?

15 A. That's what it says, yes.

16 Q. Do you know what it means by
17 "suspicious orders"?

18 A. I do not. I'm with theft and
19 loss. I don't know.

20 Q. Okay. Your job duties have
21 nothing to do with suspicious orders?

22 A. Nothing at all. I'm sorry.

23 Q. It goes on to say, "The DEA is
24 requiring that Walgreens monitor orders for

1 controlled substances that are placed at the
2 stores and sent to our distribution centers for
3 filling. Such drugs are to be monitored for
4 suspicious activity. Suspicious orders are
5 defined by the DEA in terms of an order size or
6 order frequency."

7 Do you see that?

8 A. Yes. That's what it says.

9 Q. Okay. And fair to say that you
10 don't have anything whatsoever to do with
11 analyzing orders of controlled substances for
12 whether or not they should be deemed suspicious?

13 A. I do not have any involvement in
14 that, correct.

15 Q. Okay. If we continue reading, it
16 says, "The purpose of this project is to create
17 a process to systematically identify and prevent
18 suspicious orders based on a formula used to
19 determine inconsistent or suspicious ordering
20 patterns for controlled drugs. Any C-II drug
21 orders that are deemed suspicious will be
22 flagged as suspicious and populated in a file to
23 be sent up centrally to loss prevention and Rx
24 services for review and analysis."

1 Do you see that?

2 A. I do see that, yes.

3 Q. Okay. Prior to us just reading
4 this -- the first version of this suspicious
5 order policy, did you have any understanding
6 that loss prevention had a role to play in
7 suspicious order monitoring?

8 A. No.

9 Q. Okay. Have you ever had any role
10 to play similar or consistent with what's being
11 described here?

12 A. None.

13 Q. Okay. Are you aware of any
14 anybody within the loss prevention world at
15 Walgreens that is involved in this process?

16 MR. LEVINE: Objection. Lacks
17 foundation.

18 A. I don't know. I don't know the
19 responsibilities in the organization chart who
20 does what exactly or -- I do not know that. I'm
21 sorry.

22 Q. If you turn to page 6 of 15. You
23 see there's a heading at the top of the page
24 that says Tolerance Limits?

1 A. I do see that.

2 Q. Do you know what is meant by a
3 "tolerance limit"?

4 A. I do not know.

5 Q. Have you ever heard that term
6 before as it relates to controlled substances
7 within Walgreens?

8 A. I have never. To the best of
9 my -- I've never heard that term.

10 Q. I have here -- we looked at the
11 first version of that policy, correct?

12 A. Yes, we did.

13 Q. I have here a version 2, a version
14 3, a phase 4, a phase 5, and I'll represent to
15 you -- we can look at them all if you want to.
16 But I'll represent to you that they all have the
17 same reference into orders being sent to loss
18 prevention and prescription services or Rx
19 services.

20 Is your answer going to change in
21 any way as to your involvement with the
22 suspicious order monitoring program that's
23 consistent with what we looked at there?

24 A. No, it would not change. I have

1 no involvement.

2 - - -

3 (Walgreens-Zaccaro Exhibit 15 marked.)

4 - - -

5 BY MR. GADDY:

6 Q. Let me show what you what I'm

7 going to mark as Exhibit 15. This is

8 P-WAG-2102.

9 Do you recognize this document?

10 A. No.

11 Q. Okay. Let's just look at the
12 first page and then we'll flip through and look
13 at some of the other ones.

14 A. Okay.

15 Q. You see at the very top, it looks
16 like it has Marcie's last name. It says Ranick
17 at the top center of the page.

18 A. Yes.

19 Q. And below that it says "Order Item
20 Detail."

21 Do you see that?

22 A. Yes.

23 Q. Over to the right, it has the date
24 of August 18, 2010, and below that it says

1 "Suspicious Order"?

2 A. That's what it says, yes.

3 Q. Have you ever seen a report like
4 this?

5 A. No, I have not.

6 Q. Okay. In the item description it
7 says -- it's the first line above the first
8 line. It says "Hydromorphone 2-milligram
9 tablet."

10 Do you see that?

11 A. Yes, I see that. That's what it
12 says.

13 Q. Okay. And then at the very --
14 below the double bars it has "Tolerance Limit
15 Quantity," and it has the number "4"?

16 A. Yes. It says that.

17 Q. And then at the very bottom for
18 "Suspicious Reason Code," it says "T - Exceeds
19 Tolerance Limit."

20 Do you see that?

21 A. Yes, I see that.

22 Q. Okay. Do you know what the
23 suspicious order report is?

24 A. No, I do not.

1 Q. Is this the type of report that
2 you've ever reviewed during the course of your
3 career at Walgreens?

4 A. I have never reviewed a report
5 like this.

6 Q. Okay. If you look at the next
7 page, up in the top right-hand corner it's got
8 the same date of 8/18/10, and below that it says
9 "Order Review."

10 Do you see that?

11 A. Yes, I see that.

12 Q. In the top middle of the page it
13 says what looks to be an abbreviation for loss
14 prevention, loss --

15 A. Yes, it is.

16 Q. Okay. Is that an abbreviation
17 that you're familiar with?

18 A. Yes.

19 Q. Okay. And it says, "Review Items
20 by Department," and the source name is
21 "President's Plaza."

22 Do you know what that is?

23 A. I do not know.

24 Q. Okay. And then if you see, it

1 lists -- it has a list of items including -- it
2 looks like these are prescription drugs,
3 fentanyl, fentanyl, Focalin, hydromorphone.
4 Then at the bottom, two entries for morphine
5 sulfate.

6 Do you see that?

7 A. Yes, I do see that.

8 Q. This report is a little bit
9 different than the first one we looked at.

10 Do you recognize this report?

11 A. No, I do not.

12 Q. Okay. This is not a report you've
13 ever seen before within Walgreens?

14 A. No. This has everything to do
15 with ordering, which I don't look into ordering.

16 Q. Okay. Turn with me, if you would,
17 please, to the page ending in 567 at the bottom
18 right.

19 A. Okay.

20 Q. And this is going to be a similar
21 report. You see it looks like the date's the
22 same, August 18, 2010. It says "Suspicious
23 Order" up in the top right-hand corner, correct?

24 A. That's what it says, yes.

1 Q. It looks like it's got Marcie's
2 name on it again, and then it says "Order Item
3 Detail."

4 Do you see that?

5 A. That's what it says, yes.

6 Q. And the item description, it looks
7 like, is for codeine. And the tolerance limit
8 indicated under the second horizontal line is
9 "20," correct?

10 A. That's what it says, yes.

11 Q. Okay. What I'm interested in is,
12 it looks like there's a note written on the
13 page -- a circle around that 20 and note down
14 that says, "LP thinks tolerance too high."

15 Do you see that?

16 A. It does say that, yes.

17 Q. Would "LP" be a common
18 abbreviation for loss prevention?

19 A. I know that it is a common
20 abbreviation for LP, but I don't know what it
21 was intended in this context.

22 Q. Sure.

23 A. I don't -- yeah, I didn't write
24 it. I don't -- I've never seen this.

1 Q. Okay. Are you aware of any person
2 or division within loss prevention that reviews
3 reports like this?

4 A. No.

5 Q. Are you aware of anybody within
6 loss prevention at Walgreens that makes
7 decisions on things such as tolerance?

8 A. No. I don't even know what it is.

9 Q. Okay. Sorry to jump around, but
10 you told me that Jeremy Willis was at the
11 distribution center for some period of time. Do
12 you recall when approximately he left?

13 A. Three years ago, three or four
14 years ago. He was in position as the loss
15 prevention manager at the distribution center,
16 and there was a -- maybe two or three years he
17 transitioned into the field in my role, in the
18 same role as I am in, and covered Dayton area
19 for a time.

20 Q. 2014-ish, '15-ish that he left?

21 A. Yes.

22 Q. Okay. So from '06 to '14 or '15,
23 he was the person at the distribution center
24 that you would have corresponded with, as far as

1 loss prevention?

2 A. Well, no. He was no longer with
3 the company about three or four years ago.
4 So -- and then he was in the field position
5 that -- in my role for about two or three years.
6 So '06 to '12, maybe.

7 Q. Okay. And then '12 to '14-ish in
8 the field and then --

9 A. Yes --

10 Q. '14 --

11 A. -- that sounds correct. I don't
12 know for sure what his dates are.

13 Q. Do you know whether or not
14 anybody -- from '06 to approximately '12,
15 whether or not Jeremy had anybody else working
16 with him in loss prevention?

17 A. I don't know. He was my direct
18 contact, and I don't know the structure of the
19 distribution center to know.

20 Q. Okay. Do you know what an
21 override request is?

22 A. No. It sounds -- when the stores
23 have to request to order it -- more than when --
24 what is recommended or suggested by the system.

1 - - -

2 (Walgreens-Zaccaro Exhibit 16 marked.)

3 - - -

4 Q. Let me show you what I'll mark as
5 Exhibit 16. This is P-WAG-2331. And it looks
6 like this is an e-mail from John Jones, who I
7 think you had indicated would have been your
8 supervisor's supervisor?

9 A. Correct.

10 Q. Okay. And this was sent
11 December 31st, 2012, and it looks like it was
12 sent to a list serve, all loss prevention
13 operations?

14 A. Companywide, yes, it would have
15 been.

16 Q. So this is an e-mail you would
17 have received?

18 A. Yes.

19 Q. Okay. I'm sorry.

20 A. I'm sorry.

21 Q. And the subject line is "SIMS
22 Enhancement for Controlled Substance Orders,"
23 correct?

24 A. Correct.

1 Q. And I think you told us before
2 that SIMS is your ordering software that's
3 utilized at Walgreens?

4 A. Yes.

5 Q. Okay. It says, "The following
6 message was sent to the stores via COMPASS on
7 December 28th regarding an enhancement that has
8 been deployed to SIMS to limit controlled
9 substance orders, as well as to identify
10 training opportunities and ensure adherence to
11 good faith dispensing practices. As inter-store
12 transfers could potentially increase, please
13 review the related policies on controlled
14 substance transfers in addition to the
15 information below."

16 Do you see that?

17 A. Yes, I see that.

18 Q. Okay. It references the process
19 there of inter-store transfers.

20 Do you know what that is?

21 A. Yes, I do know inter-stores
22 transfers.

23 Q. What is that?

24 A. That is one store may be short a

1 product. Another store may have excess of that,
2 and a -- one store claims it out while the other
3 store returns it in, receives it in.

4 Q. Okay. You understand it correctly
5 that that might be where a particular Walgreens
6 does not have, in their opinion, enough of a
7 particular drug on stock and the Walgreens down
8 the street does, and so they might get that
9 store down the street to bring them some of that
10 drug?

11 A. As I understand how they do it,
12 yes.

13 Q. Okay. Does that ordering system
14 go through SIMS and through the distribution
15 center, as far as you know, or does that happen
16 outside of that?

17 A. I know it goes through SIMS
18 because they create the claim in SIMS, and then
19 it comes over as a receipt in receiving, which
20 is posted, just like a receipt that we would get
21 from the warehouse or vendors.

22 Q. Okay. Do you know whether or not
23 it goes to the folks at the distribution center?

24 A. I do not know that.

1 Q. Okay. The message down -- the
2 message says "All Pharmacy Managers." Then it
3 says, "An enhancement has been developed due to
4 the increased scrutiny from suppliers,
5 wholesalers and the DEA with regard to the
6 amount of controlled substances that can be
7 ordered at any given time. This enhancement is
8 designed to comply with DEA regulations which
9 require distributors to report controlled
10 substance orders of unusual size, orders
11 deviating substantially from a normal pattern
12 and orders of unusual frequency."

13 Do you see that?

14 A. I do see that. That's what it
15 says.

16 Q. Okay. Did -- let me ask you this:
17 Are you aware that the Walgreens' distribution
18 center in Jupiter, Florida was investigated by
19 the DEA and that as a result of that
20 investigation, Walgreens paid an \$80 million
21 settlement to close out that investigation?

22 A. So I'm aware that there was an
23 investigation. I know that there was a
24 settlement. I don't know the details of what

1 prompted during, before or after the
2 investigation. It was basically headlines that
3 we were given --

4 Q. Okay.

5 A. -- or had been made aware. I
6 don't even know any of the details with it.

7 Q. Okay. If I was to represent to
8 you that that investigation was occurring
9 between 2012 and that the settlement was paid in
10 June 2013, would that time frame sound
11 approximately accurate to you?

12 A. I don't know.

13 Q. Okay. Would you have any reason
14 to disagree with that?

15 A. I wouldn't have any reason to
16 disagree, but I don't know for certain that
17 those were your time frames.

18 Q. But anyway, you see that there was
19 a communication given to all the pharmacy
20 managers that Walgreens was experiencing
21 increased scrutiny from, they say, suppliers,
22 wholesalers and the DEA regarding to the amount
23 of controlled substances?

24 A. I do see that, yes.

1 Q. Okay. And if we go down to the
2 team member FAQs, do you see where that is?

3 A. Yes, I see that.

4 Q. And the first question is, "Why
5 are my controlled substance orders being
6 reduced?"

7 It says, "SIMS suggested and/or
8 manually adjusted controlled substance orders
9 will undergo a review process in comparison to
10 the amount of product your store is allotted
11 over a rolling six-week period. The order
12 volumes may be adjusted systematically based on
13 pre-determined limits or thresholds in relation
14 to a store's prescription volume."

15 Do you see that?

16 A. I do see that.

17 Q. Do you have any involvement in
18 your -- at any time that you've been at
19 Walgreens, with what we just read there as far
20 as threshold limits or pre-determined limits for
21 a particular store as it relates to controlled
22 substances?

23 A. I do not have anything to do with
24 ordering whatsoever, so definitely not that

1 either.

2 Q. Okay. If you go down to the very
3 bottom of the page, the last question is, "What
4 do I need to do if I'm running low on a
5 controlled substance?"

6 Do you see that?

7 A. I do see that.

8 Q. Okay. And there it says, "Contact
9 your pharmacy supervisor to complete a
10 controlled substance override form located on
11 the RxS home page."

12 Do you see that?

13 A. Yes, I do see that.

14 Q. Okay. And I started this by
15 asking you about override forms. Is that
16 consistent with your understanding of what an
17 override request would be?

18 MR. LEVINE: Objection. Lacks
19 foundation.

20 A. I know that there is a process and
21 a procedure in place. I don't know what
22 prompted that. I don't know what it is. I
23 don't know thresholds or anything that limits,
24 restricts or -- I don't know what any of that

1 criteria is or why.

2 - - -

3 (Walgreens-Zaccaro Exhibit 17 marked.)

4 - - -

5 Q. Okay. Let me show you P-WAG-2261
6 that I will mark as Exhibit 17.

7 A. Thank you.

8 Q. Sure. And I'll start about
9 halfway down the first page. And it looks like
10 this is an e-mail from Matt Soder who I think
11 was the pharmacy supervisor in your district,
12 correct?

13 A. Yes, he would have been the
14 pharmacy supervisor.

15 Q. And this e-mail was sent to
16 RxIntegrity.

17 Do you see that?

18 A. Yes, I do see that.

19 Q. Okay. Do you know what
20 "RxIntegrity" is or what that department is?

21 A. It's a department in our support
22 office that I don't know what all they monitor,
23 oversee, or otherwise.

24 Q. Do you have any interaction with

1 them whatsoever?

2 A. I'm copied on correspondence with
3 them.

4 Q. What types?

5 A. If there is an audit in process as
6 a result of the DEA 106 forms being submitted,
7 which are forms notifying the DEA of confirmed
8 losses, I am copied on correspondences sometimes
9 between pharmacy managers, and would have been
10 pharmacy supervisors if there was concerned
11 about an inventory question, having not
12 necessarily to do with just on-hands, but it
13 might be in reference to paperwork or -- I'm --
14 directly, no, I don't have -- to the best of my
15 knowledge that I can recall anyways, where I've
16 ever e-mailed them or contacted them myself.

17 Q. Okay. Fair to say that your
18 interaction with them, even when you're copied
19 on correspondence with them, is -- goes back to
20 being related to theft or losses that you
21 investigate within the store?

22 A. That's correct.

23 Q. Okay. All right. So if we look
24 at this e-mail, the subject line is "Controlled

1 substance order quantity override form."

2 A. Yes.

3 Q. Do you see that?

4 A. Yes.

5 Q. Looking at this e-mail, do you

6 recall being copied on these? Are these the

7 e-mails that you receive or that you see?

8 A. I do not, and I don't even see

9 where my name is anywhere on this.

10 Q. Okay. Let's keep looking. So

11 first it says "store number" and it's got a

12 store number listed there, correct? 34640?

13 A. Yes.

14 Q. Okay. Is that one of your stores?

15 A. No. That's not the correct store

16 number for the address.

17 Q. Okay.

18 A. So I don't know if there's --

19 sometimes there's different store

20 identifications, depending on how they're

21 listed. The store -- if you go down where it

22 says "store" and you see "6574," that's the

23 actual store number.

24 Q. Okay. Is that one of your stores?

1 A. That would have been at that time,
2 yes.

3 Q. Okay. And it says this was
4 district number 277. Was that your district?

5 A. That was the Cleveland West
6 district that I was in, yes.

7 Q. Okay. Then it has the DM e-mail
8 address and that's John Lucchetti who we talked
9 about before, correct?

10 A. Yes.

11 Q. And he was the district manager?

12 A. Yes.

13 Q. And below that it's got the DLP
14 e-mail address and that's you, correct?

15 A. It is, yes. I don't even -- I've
16 never seen an order override request form. I
17 don't know why we would be copied on it, but
18 okay. I'm just surprised. I'm like, "Why would
19 I have my name on there?"

20 Q. Okay. And you were the district
21 loss prevention person for this store, this
22 district, correct?

23 A. Yes, I would have been.

24 Q. Okay. And then it's got the name

1 of the pharmacy manager, Shane Burnsworth?

2 A. Yes.

3 Q. The name of the pharmacy
4 supervisor?

5 A. Yes.

6 Q. And it's got a WIC number at the
7 bottom. Do you know what that corresponds to?

8 A. That is to the drug.

9 Q. Okay.

10 A. The Walgreens' inventory.

11 Q. And if you turn the page and look
12 at the top of the next page, it names the drug,
13 and it's oxycodone?

14 A. It does name that, yes.

15 Q. Okay. And it indicates the
16 package size and then the order quantity needed,
17 and this particular store is requesting 2,500
18 per week.

19 Do you see that?

20 A. It does say that, yes.

21 Q. Okay. It says, "Provide a
22 detailed explanation of this request, including
23 prescription sales history, 13-week item
24 movement, current on hand count, inventory

1 adjustments, et cetera."

2 Do you see that?

3 A. I do see that.

4 Q. Okay. Let me stop right there
5 before we get into this, but this is not a form
6 that you've ever seen, correct?

7 A. I have never seen a form like
8 this.

9 Q. Okay. Have you ever been asked
10 questions about one of your stores submitting a
11 request like this?

12 A. No.

13 Q. Have you ever had the RxIntegrity
14 group e-mail you and say, "Laurie, this store
15 issued this request for this many more bottles
16 of oxycodone. Can you look into this or gather
17 information for us," or anything like that?

18 A. I have never been contacted for a
19 request like that whatsoever.

20 Q. Okay. I asked about RxIntegrity.
21 Anybody? Matt Soder?

22 A. No.

23 Q. Anybody ever contact you about a
24 request like this?

1 A. No. None.

2 Q. Okay. So what that last thing
3 asked for was a detailed explanation of the
4 request, including the Rx sales history and the
5 13-week item movement.

6 Would that be -- that's something
7 you have access to, correct?

8 A. The SIMS 13-week item movement
9 report is what that is referring to.

10 Q. Okay.

11 A. The exception reports that I have
12 mentioned 13-week movements for is an exception
13 report.

14 Q. Okay. So that's something
15 different than what's being referred to here?

16 A. Yes. SIMS is actual live time, 13
17 weeks in live time, where the reports and the
18 exception reports that we've talked about
19 earlier had end dates to those. This is a live
20 ordering system.

21 Q. Okay. Anyway, in response to that
22 question, what's written here in this form is,
23 "SIMS is placing orders of roughly 1,000 tabs
24 weekly, two bottles, store sales history is for

1 2,000 to 2,500 tabs per week. Need order
2 increased to account for volume. This store is
3 high volume, filling 450 to 500 prescriptions
4 per day."

5 Did I read that correctly?

6 A. You read that correctly, yes.

7 Q. Okay. And it's correct to say
8 that you've never been contacted by anybody and
9 asked to look into this explanation that's given
10 by this store and determine whether or not that
11 explanation is valid?

12 A. No, and I wouldn't expect to,
13 because we don't do the ordering. I don't --
14 I'm not involved with the ordering.

15 Q. Okay. And if you look up in the
16 e-mail chain, it looks like there's a response
17 from an individual Maria Makris. It says, "On
18 behalf of RxIntegrity."

19 Do you see that?

20 A. I do see that.

21 Q. And she responds, it looks like
22 the same day, March 25th at 11:00 am. It looks
23 like about three hours after the original
24 request was made.

1 Do you see that?

2 A. That's what it says, yes.

3 Q. And the e-mail goes to the
4 Perrysburg sale coordinators?

5 A. Yes.

6 Q. Do you know who the sale
7 coordinators are?

8 A. That would be Jennifer Diebert is
9 who I know is the sales coordinator.

10 Q. And she's at the distribution
11 center?

12 A. Yes.

13 Q. Okay. And Maria says, "Please
14 process the order below, request for Store 6574
15 for" -- that WIC number, the oxycodone -- "times
16 five units."

17 Do you see that?

18 A. I do see that.

19 Q. Okay. And the units that were
20 being asked for were the 500-count bottles?

21 A. It says package size 500, yes.

22 Q. Okay. Do you know whether or not
23 anybody did any investigation into this override
24 request?

1 MR. LEVINE: Objection. Lacks
2 foundation.

3 A. I don't know. I don't know what
4 their processes are.

5 - - -

6 (Walgreens-Zaccaro Exhibit 18 marked.)

7 - - -

8 BY MR. GADDY:

9 Q. Show you another one of these.
10 This is Exhibit Number 18, P-WAG-1469.

11 A. Okay.

12 Q. And we've got to go to the second
13 page to see the first e-mail in this chain.

14 A. Okay.

15 Q. But, again, this is a message
16 coming from Matt Soder, and, again, it goes to
17 RxIntegrity.

18 Do you see that?

19 A. I do see that, yes.

20 Q. Sent on August 12, 2013, correct?

21 A. Correct.

22 Q. And, again, it looks like this is
23 another one of these controlled substance order
24 quantity override forms, correct?

1 A. I don't know what that form is or
2 what it looks like, but ...

3 Q. Well, that's what the subject line
4 of the e-mail indicates that this is, correct?

5 A. Yes.

6 Q. Okay. And once again, it's got
7 the district number, which is your district,
8 277?

9 A. Yes.

10 Q. And it's got your e-mail address
11 as the DLP, correct?

12 A. It does.

13 Q. Okay. And if we go down, again,
14 it looks like the drug that's being requested is
15 oxycodone again?

16 A. Yes, that's what it says.

17 Q. And, again, they're asking for a
18 500-count bottle and indicate there that they
19 need three bottles.

20 Do you see that?

21 A. Yes.

22 Q. Okay. And, again, it asks for, "A
23 detailed explanation of the request, including
24 the prescription sales history, 13-week item

1 movement, current on hand count, inventory
2 adjustments, et cetera."

3 Do you see that?

4 A. Yes.

5 Q. Okay. And it doesn't look like --
6 let's just read what they write. It says, "This
7 location has been out of the product above for
8 multiple weeks. RxS has visited the store."

9 What's RxS?

10 A. That's the abbreviated term of
11 pharmacy supervisor. So Matt Soder's title.

12 Q. Okay. So Matt has visited the
13 store, reviewed the item movement, along with
14 the -- that's good faith dispensing policies?

15 A. That's what -- how I recognize
16 GFD.

17 Q. Okay. It says, "Store is 24 hours
18 and close to local hospitals and ER. Matt
19 indicates the state PMP is being utilized
20 appropriately, and the pharmacist denies
21 prescriptions when ethical issues arise. I'm
22 also requesting review of the store order
23 limits."

24 Do you see that?

1 A. I would. And I would just point
2 out when you said RxM Matt, RxM would be the
3 store pharmacy manager who would have been Josh
4 Close.

5 Q. Thank you for correcting me. So
6 RxS would be Matt. RxM would be --

7 A. The store pharmacy manager.

8 Q. Gotcha. Thank you.

9 So it's the store pharmacy manager
10 saying that the PMP is being used and the -- and
11 that the pharmacist denies prescriptions?

12 A. When ethical issues exist. That's
13 what it states, yes.

14 Q. Okay. It says, "I'm also
15 requesting a review of the store order limits."

16 Correct?

17 A. It does say that, yes.

18 Q. Okay. And the story would be the
19 same with this one as it was with the last one
20 as far as you weren't asked to do any
21 verification of any of this information?

22 A. I was not asked to do anything.

23 Q. Okay. Have you ever been asked to
24 do any verification of any controlled substance

1 override request?

2 A. No, I have never.

3 Q. Okay.

4 A. Not to the best of my
5 recollection, but I don't believe I ever have.

6 Q. Okay. If you look at the first
7 page of this -- well, first of all, if you look
8 at the original e-mail, it looks like it goes in
9 on October -- on August 12th at 10:05 p.m.

10 Do you see that?

11 A. I do see that.

12 Q. And if you look right above it,
13 still on that page, you see the body of the
14 response, which is, "Please process the order
15 requested below"?

16 A. Yes, I do see that.

17 Q. And it says to give them three
18 bottles of the 500-count oxycodone?

19 A. Yes, I do see that.

20 Q. Okay. And if we look at when that
21 response came in, it looks like it came in at
22 10:28 the very next morning, correct?

23 A. August 13 -- yes, that's what it
24 indicates.

1 Q. Okay. If you look up at the next
2 e-mail, it looks like somebody from Perrysburg
3 chimes in and says, "This form was sent to
4 AmerisourceBergen."

5 Do you see that?

6 A. It does say that.

7 Q. Do you recognize them as being one
8 of the vendors --

9 A. Yes.

10 Q. -- that Walgreens utilizes?

11 A. Yes.

12 Q. And if you look up at the next
13 e-mail in the chain, it looks like Matt chimes
14 in and says, "Patty, can you look at the order
15 ceiling for this store as well? Can it be
16 slightly increased?"

17 Do you see that?

18 A. I do see that. That's what it
19 says.

20 Q. The concept of order ceiling for a
21 store for a drug like oxycodone, does that mean
22 anything to you?

23 A. No.

24 Q. Okay. And then it looks like

1 about two hours after Matt's e-mail asking for
2 the order ceiling -- or excuse me. He asked for
3 that around lunch on the 13th. It looks like
4 the next day that's sent to RxIntegrity and
5 ultimately there's a response from Steven Mills
6 that says he's gone ahead and raised the stores
7 allotment for the oxycodone.

8 Do you see that?

9 A. I do see that. That's what it
10 states.

11 Q. And again, this is nothing that
12 you're ever brought into the loop on?

13 A. Never. Yeah. I've never been
14 brought in on anything like this.

15 Q. Are you even informed when a
16 override request is submitted?

17 A. No.

18 Q. Do you have any understanding of
19 how often they're approved or denied?

20 A. I do not.

21 Q. Okay. Let me show you what I'll
22 mark as Exhibit 19.

23 - - -

24 (Walgreens-Zaccaro Exhibit 19 marked.)

1 - - -

2 MR. GADDY: This is P-WAG-1618.

3 A. Thank you.

4 Q. And I'll represent to you that the
5 spreadsheet is a document that we were provided
6 by your attorneys that's a summary of the
7 override request from Ohio.

8 A. Okay.

9 Q. And by no means do I intend to go
10 through that in detail with you.

11 A. Thank you.

12 Q. You're welcome.

13 And then attached to that you'll
14 see a 1618A and a 1618B. And these are summary
15 pivot tables that have been generated based off
16 of the data in the spreadsheet.

17 A. Okay.

18 Q. So what I'm going to start out
19 looking at is -- and, again, what I -- I might
20 have said this already, but the spreadsheet
21 encompasses the override request from the State
22 of Ohio from 2013 through 2018.

23 A. Okay.

24 Q. But what I want to look at with

1 you is 1618A.

2 A. Okay.

3 Q. And do you see where over in the
4 column on the left it states, "Request Status
5 Description" and "Request Reason Description."

6 Do you see that?

7 A. I do see that. That's what it
8 says.

9 Q. And then the column to the right
10 says, "Count of Override Requests
11 Approved/Rejected/Expired or Submitted."

12 Do you see that?

13 A. I do see that, yes.

14 Q. And do you see that for -- it says
15 "DM Approved" and over to the right it says
16 "371."

17 Do you see that?

18 A. I do see that.

19 Q. Okay. And do you recall from the
20 override request forms that we just looked at,
21 the DM was listed on those forms, the district
22 manager? Those last two -- last couple override
23 request e-mails that we looked at.

24 A. I see that his e-mail is listed

1 like mine.

2 Q. Okay.

3 A. I do not see where he is copied on
4 the e-mail correspondence, though.

5 Q. Do you have any understanding of
6 how the process works about whether or not he
7 has to approve the override request before it's
8 submitted to RxIntegrity or anything of that
9 nature?

10 A. No. Again, this is outside of my
11 area with ordering.

12 Q. Okay. If we look at 1618A, do you
13 see that it's listed on this summary spreadsheet
14 here that the district manager approved 371
15 orders, and if you go down a couple lines, that
16 he rejected only six of those override requests?

17 A. I see what you've read, and that
18 is what it reflects.

19 Q. Okay. And if you go down to the
20 second bolded line below that, do you see a
21 listing for RxI or RxIntegrity approved?

22 A. I do see that.

23 Q. And do you see that it indicates
24 355 of these override requests were approved by

1 RxIntegrity?

2 A. That's what it states, yeah.

3 Q. And then if you go down to the
4 next bolded line, do you see where it indicates
5 that there were five override requests that were
6 rejected by RxIntegrity?

7 A. That's what it states, yes.

8 Q. So it indicates that RxIntegrity
9 approved 355 override requests and rejected
10 five, correct?

11 A. That's what it states, yes.

12 Q. Okay. If you turn the page to
13 1618B.

14 A. Yes.

15 Q. And, again, I'll represent to you
16 that this is a summary of data pulled from that
17 spreadsheet --

18 A. Okay.

19 Q. -- that includes the store number
20 and some of the folks that were listed in that
21 spreadsheet, such as the district manager, the
22 pharmacy manager, and the pharmacy supervisor,
23 as well as the folks from RxIntegrity who were
24 actually involved in the decision-making, okay?

1 A. Okay.

2 Q. The district manager --

3 A. Yes.

4 Q. -- what is the scope of that
5 person's responsibility as far as stores?

6 A. I don't know what all they're
7 expected to -- what their responsibilities are.
8 I know their position in the hierarchy, but what
9 they're directly responsible for, I don't know.

10 Q. Okay. Describe their position in
11 the hierarchy for me, please.

12 A. They are over the store managers
13 in the stores. I mean, store and pharmacy
14 managers now -- I guess our -- it's changed. So
15 do you want what that was 2012, '13, '14, or do
16 you want it now?

17 Q. The earlier.

18 A. The earlier. So every district
19 had a district manager who was over the pharmacy
20 manager and the trainer. The pharmacy -- or the
21 pharmacy supervisor, the district trainer, and
22 then who was also over all the pharmacy managers
23 and the pharmacy -- or the store managers.

24 Q. Okay.

1 A. We are -- asset protection was
2 their own separate. I was not under them. I
3 was under John Davis. I supported the district
4 manager and the district team.

5 Q. Was the district manager
6 responsible for the same stores that you're
7 responsible for, or did he have more or less?

8 A. So at this time, we had district
9 teams, so it would have been the same group of
10 stores.

11 Q. Okay. I asked you about the DEA
12 investigation at the Jupiter distribution
13 center, and I think you told me you were
14 generally aware that that happened but you're
15 not aware of the details. Is that fair?

16 A. That's fair.

17 Q. Okay. Were you aware of the DEA
18 investigation that began at the Perrysburg
19 distribution center?

20 A. I was aware there was an
21 investigation, but I don't know, again, the
22 details, the whos, the whats and hows and ...

23 Q. Okay. I'll show you what I'll
24 mark as Exhibit Number 20. And this is

1 P-WAG-16.

2 - - -

3 (Walgreens-Zaccaro Exhibit 20 marked.)

4 - - -

5 BY MR. GADDY:

6 Q. And do you see the top of this
7 document says "U.S. Department of Justice Drug
8 Enforcement Administration Subpoena" at the top?

9 A. That's what it says, yes.

10 Q. Okay. And do you see that the
11 subpoena was issued, it says, "to Walgreens
12 Corporation," on the left-hand side of the page?

13 A. That's what it says, correct.

14 Q. Okay. And if you'd look in the --
15 to read at the beginning it says, "Greeting: By
16 the service of this subpoena upon you by
17 Diversion Investigator Wayne Groves, who was
18 authorized to serve it, you are hereby commanded
19 and required to appear before Investigator
20 Groves, an officer of the DEA, to give testimony
21 and to bring with you and produce for
22 examination the following books, records, and
23 papers at the time and place herein set forth."

24 And you see in the next paragraph

1 it indicates, "Pursuant to an official
2 investigation being conducted by the DEA,
3 provide the following information, documentation
4 by Walgreens at Perrysburg."

5 And then it has a colon.

6 Do you see where I am so far?

7 A. Yes, I do.

8 Q. And it says, "Any and all written,
9 electronic records and correspondence regarding
10 the sales and purchases of controlled substances
11 between the dates of beginning of business
12 2/1/11 and close of business 2/5/13, to include
13 purchase orders, sales invoices, packing slips,
14 shipping documents and receiving documents,
15 powers of attorney, courier identification of
16 records."

17 Do you see that?

18 A. I do see that. That's what it
19 states.

20 Q. Okay. How did you become aware
21 that an investigation had begun into the
22 Perrysburg distribution center?

23 A. Hearsay --

24 Q. Okay.

1 A. -- which is talk. My director
2 John Davis at the time may have done an
3 informal, "Just so you are aware."

4 Q. Okay. Do you recall what
5 information you were provided?

6 A. That's about it.

7 Q. Okay.

8 A. There was an investigation going
9 on.

10 Q. Did you understand why there was
11 an investigation?

12 A. No.

13 Q. Okay. Did you understand that it
14 had to do with controlled substances?

15 A. No. And I wouldn't expect to
16 understand. It's -- I don't -- we're not with
17 the distribution of -- or the ordering or the
18 sales.

19 Q. Okay. I'll show you what I'll
20 mark as Exhibit 21.

21 - - -

22 (Walgreens-Zaccaro Exhibit 21 marked.)

23 - - -

24 A. Thank you.

1 Q. And do you recognize this to be --
2 this is P-WAG-2329.

3 And you recognize this to be an
4 e-mail from Ed Svihra?

5 A. That's who it states it's from,
6 yes.

7 Q. Okay. And that was one of -- Ed
8 was one of the loss prevention executives?

9 A. Yes.

10 Q. Okay. And, again, it looks like
11 this e-mail was sent February 8, 2013, and it
12 was sent, again, to the entire loss prevention
13 operations department, correct?

14 A. That's what it states.

15 Q. Okay. And that would have
16 included you?

17 A. Yes.

18 Q. And the subject is "Important DEA
19 Reminder." And it's addressed to All LP Field
20 Personnel, correct?

21 A. Yes.

22 Q. And is that how you've kind of
23 described what your role would have been as a
24 field person?

1 A. Yes.

2 Q. Okay. It says, "This
3 communication went to all DMs and RxSs." So
4 would that be district managers and pharmacy
5 supervisors?

6 A. Yes.

7 Q. So, "This communication went to
8 all district managers and pharmacy supervisors
9 yesterday as a COMPASS entry. It was unclear if
10 loss prevention was copied."

11 A. Yes.

12 Q. Okay. What's the "COMPASS entry"?

13 A. What COMPASS is, is it's a system
14 in place where our support office in corporate
15 sends down all company communication, alerts,
16 changes, do this, change that, sign this, sign
17 that, merchandise here, merchandise there. It's
18 something very constant that comes down.

19 AP is not on the distribution for
20 the COMPASS messages. Anything that we get
21 forwarded, which is exactly what this is, is an
22 FYI.

23 Q. Okay. It says -- it's addressed
24 to the district and market leaders, and it says,

1 "On Wednesday, February 6, the DEA inspected the
2 Perrysburg distribution center in Ohio and
3 requested records pertaining to controlled
4 substances. For your reference the following
5 COMPASS communication will be provided to your
6 stores today."

7 Correct?

8 A. That's what it states, yes.

9 Q. Okay. And the message goes on to
10 say, "On Wednesday, February 6, DEA inspected
11 the Perrysburg distribution center in Ohio and
12 requested records pertaining to controlled
13 substances."

14 A. Okay.

15 Q. "Walgreens' policy is to cooperate
16 with regulatory agencies and law enforcement
17 consistent with our obligations under applicable
18 state and federal laws."

19 Did I read that correctly?

20 A. Yes, that is correct.

21 Q. During your time at Walgreens have
22 you ever had to deal with DEA coming into any of
23 your stores?

24 A. No.

1 Q. Okay.

2 A. That's not to say they didn't come
3 into the stores. I'm all over the place. They
4 may have been in stores.

5 Q. You don't spend your average day
6 within a particular store. You have the office
7 location that you work out of and you have 50 to
8 60 stores that you're responsible for?

9 A. I'm driving all over, yes.

10 Q. Okay. You skip down, it says,
11 "The procedures below provide a brief overview
12 of steps to take in the event that you receive a
13 warrant at your location."

14 Do you see that?

15 A. Yes.

16 Q. It says, "Ask DEA agents for
17 identification and the purpose of their visit
18 and allow agents immediate access to the
19 pharmacy department and direct them to the
20 requested records."

21 Correct?

22 A. That's what it states, yes.

23 Q. Then it says, "District pharmacy
24 team members are not required to answer any

1 questions, participate in interviews, or provide
2 written statements to the DEA investigators.
3 Participating in these requests may potentially
4 expose the company and the individual team
5 member to liability."

6 Do you see that?

7 A. That's what it states, yes.

8 Q. Do you know what liability Ed
9 Svihra was worried about exposing the company to
10 if the pharmacists were to talk to the DEA?

11 MR. LEVINE: Objection to form.
12 Foundation.

13 A. I don't know.

14 Q. Do you know what liability Ed
15 Svihra was warning that the individual Walgreens
16 team members might be liable for if they were to
17 talk to the DEA?

18 A. I don't know.

19 MR. LEVINE: Objection to form.
20 Foundation.

21 A. I'm sorry. I don't know.

22 Q. Okay. Were you ever involved in
23 any meetings or do you know why the executives
24 at loss prevention were directing the Walgreens

1 employees not to talk to the DEA?

2 A. I don't know why.

3 Q. None of your duties at any time at
4 Walgreens has had anything to do with the
5 ordering of controlled substances, correct?

6 A. None.

7 Q. The vast majority of your
8 responsibilities have related to theft and loss
9 prevention?

10 A. Correct.

11 MR. GADDY: Okay. Mark, I think
12 I'm about done. I just got handed this
13 document. If I could have a couple
14 minutes to look at it.

15 MR. LEVINE: Sure.

16 THE VIDEOGRAPHER: Off the record,
17 1:50.

18 (Recess taken.)

19 THE VIDEOGRAPHER: On the record,
20 1:57.

21 - - -

22 (Walgreens-Zaccaro Exhibit 22 marked.)

23 - - -

24

1 BY MR. GADDY:

2 Q. Ms. Zaccaro, I'm going to show you
3 what I've marked as Exhibit 22. It's --

4 A. Thank you.

5 Q. And if you don't mind for me, flip
6 to the second page and maybe we can make some
7 sense out of what this document is.

8 A. Okay.

9 Q. So if we look at the second page,
10 it looks like it's an e-mail from Megan Eicker
11 to Ed Svihra.

12 Do you see that?

13 A. Yes.

14 Q. And I think we saw both of them on
15 that organizational chart that we looked at
16 earlier, correct?

17 A. Yes, we did.

18 Q. Okay. And Megan writes,
19 "Greetings Ed. You have been designated as the
20 goal setting task force lead for the drug
21 diversion performance goal."

22 Do you see that?

23 A. That's what it states, yes.

24 Q. Okay. It says, "Below are your

1 designated team members as well as some initial
2 ideas from the recent leadership meetings. I
3 understand you've already begun formulating
4 recommendations for this goal as well. Please
5 follow these next steps."

6 Do you see that?

7 A. That's what it states, yes.

8 Q. And one of the things that we
9 looked at earlier this morning was some of the
10 entries on your performance review, correct?

11 A. Correct.

12 Q. Okay. There were different
13 categories of topics that you as the Walgreens'
14 employee are judged on both by yourself and by
15 your supervisors, correct?

16 A. Based on performance, yes.

17 Q. Okay. And one of the things
18 that's being referenced here is a "drug
19 diversion performance goal."

20 Do you see that in the bolded
21 section of the first line?

22 A. That's what it states, yes.

23 Q. Okay. Had -- are you familiar
24 with the drug diversion performance goal?

1 A. No, I'm not.

2 Q. Okay. Let's flip to the -- back
3 to the first page. And do you see the top
4 left-hand corner of this page, it says, "DLPM
5 Goal Performance Rating Guidelines"?

6 Do you see that?

7 A. Yes.

8 Q. And that would stand for district
9 loss prevention managers?

10 A. I'm trying to think of the time
11 stamp, if this is like 2013.

12 Q. The e-mail that we just looked at
13 was August 2012 --

14 A. Yeah.

15 Q. -- if that helps.

16 A. I don't know what our DLPM title
17 was then, but we have been DLPMs.

18 Q. Okay. That would have been you?

19 A. Yes, if that's what the DLPM is.

20 Q. Okay. And that's what you've been
21 referred to over your career, is as a DLPM,
22 district loss prevention manager?

23 A. I have, yes.

24 Q. Okay. And so this says "District

1 loss prevention manager goal performance rating
2 guidelines." And I wanted to start out under
3 the column of "Goal."

4 Do you see that? It's the far
5 left-hand column.

6 A. Yes.

7 Q. And it says, "The goal is to
8 engage with pharmacy supervisor to assist market
9 district community and store leadership in
10 addressing the nationwide prescription drug
11 abuse epidemic and associated drug diversion
12 activities."

13 Do you see that?

14 A. That's what it states, yes.

15 Q. Have you ever been told at any of
16 your time in your employment with Walgreens that
17 one of your performance measures on which you
18 were being evaluated by was this drug diversion
19 performance goal?

20 A. Not to my knowledge.

21 Q. Okay. It goes on to say that --
22 it says, "Note: Prescription drug diversion
23 may," and then it's got a list of several
24 different items. "Involve prescription drug

1 and/or pseudoephedrine product. Refer to theft
2 of drugs, refer to prescription misconduct,
3 include dispensing prescriptions issued for
4 other than legitimate medical purposes whereby
5 prescriber acting outside the usual course of
6 professional practice, refer to both internal
7 and external losses, involve employee
8 self-medication, and include privacy concerns if
9 finished prescriptions are involved."

10 Do you see that?

11 A. That's what it states, yes.

12 Q. Okay. Is this information that
13 was ever given to you as one of your particular
14 performance goals that you should try to meet in
15 your role as a district loss prevention manager?

16 A. I don't remember. Our goals, our
17 measures, our bands, everything changed from
18 year to year. I don't remember if this was a
19 goal that was set for our department in that
20 time frame or not.

21 Q. Okay. There's a couple of
22 measures listed here, and the first one in the
23 first Measure box says, "Completion of various
24 self-education modules to fully understand the

1 societal aspects of prescription drug abuse and
2 the effects this epidemic has on the district by
3 a date of December 1st, 2012."

4 Do you see that?

5 A. That's what it states, yes.

6 Q. Okay. After reading that and
7 looking at the date that that was supposed to be
8 completed by, does that refresh your memory as
9 to something that you were asked to do with your
10 employment at Walgreens?

11 A. I don't remember.

12 Q. Let me just ask you without -- you
13 know, out of the context of this document, just
14 in general.

15 Have you ever either by way of
16 training or education for Walgreens or just on
17 your own time taken to educate yourself to fully
18 understand the societal impacts of the
19 prescription drug abuse and the epidemic in the
20 area that you serve in Ohio?

21 A. So in the past -- and time stamps
22 on them, I can't remember -- I have been invited
23 with different law enforcement departments,
24 mainly members of drug task force in different

1 counties or municipalities. One sticks out in
2 particular with me was doctor shopping that was
3 put on with Medina County Sheriff's Department.
4 I was invited to attend. I was in that room and
5 I only know doctors were there because my
6 dentist was in there and I was surprised to see
7 her.

8 So I have taken up a few
9 invitations just on my own to -- the awareness
10 and stuff -- I mean, just to know what's going
11 on and anything that I could take to -- take
12 back to my stores and help them identifying
13 things when they feel that they need to report
14 things.

15 Q. Were these things that you were
16 under the impression that you were expected to
17 be doing as part of your job at Walgreens?

18 A. I don't know. I seek to do a lot
19 of things in and outside of what is expected of
20 me.

21 Q. Were you under the impression that
22 doing those things would be meeting some
23 performance goals or checking some box on a
24 yearly review?

1 A. I don't remember.

2 Q. Okay. The next entry states,
3 "Educate and collaborate with members of the
4 community by coordinating and conducting various
5 engagement events that address prescription drug
6 abuse and diversion by August 31, 2013."

7 Do you see that?

8 A. Yes.

9 Q. Okay. Do you recall ever having
10 your performance at Walgreens judged based on
11 that guideline?

12 A. I don't remember. I don't
13 remember these goals from this time period, is
14 the bottom line.

15 Q. Okay. Do you have any memory
16 whatsoever of ever having a part of your
17 performance ratings, as a loss prevention
18 manager at Walgreens, being based on your
19 education and appreciation or involvement with
20 the drug epidemic related to opioids?

21 A. I don't remember.

22 Q. Okay. The last measure says,
23 "Engage the use of the following tools," and the
24 first one is the exception report, correct?

1 A. Correct.

2 Q. And you've told us the only way
3 you used that was to try to identify theft
4 within the stores, correct?

5 A. Mm-hmm, or protect us from losses
6 with overbuys and -- that way.

7 Q. Expired drugs and things like
8 that?

9 A. Yeah.

10 Q. Okay. The second one, it says the
11 following tools, you should use a SIMS
12 reporting?

13 A. Correct.

14 Q. How would you use SIMS reporting?

15 A. That's your live 13-week movement
16 reports that you can dig in a little further.
17 There's more details in there as far as when
18 product was received, when it was not. It's
19 more live in realtime.

20 Q. Would you be using that for the
21 same purpose as the exception report to identify
22 theft or loss within the stores?

23 A. The way I would do it is if
24 there's something that flagged me on the LPxRx

1 report, I would then start digging further to
2 get more information and analyze things through
3 the SIMS reporting system.

4 Q. But there's no other reason that
5 you're using the SIMS reporting system, other
6 than to identify theft and loss in the store?

7 A. Yes.

8 Q. Okay. The -- yes, correct?

9 A. Yes.

10 Q. Sorry?

11 A. I mean that's what I can recall
12 using it for at this moment.

13 Q. Okay. Okay. The next one is
14 "Adjustment Alerts." And we saw a couple of
15 times you raised questions about adjustments
16 that you saw in the exception reports. Is the
17 adjustment alerts, is that a different report or
18 a different notification?

19 A. I'm not aware of a report that is
20 titled "Adjustment Alerts." I would associate
21 that, myself, with the LPxRx --

22 Q. Okay.

23 A. -- the exception reports, that way
24 that identifies when adjustments are made.

1 Q. Okay. The next entry is for
2 pseudoephedrine leads.

3 A. Yes.

4 Q. Do you know what's referenced
5 there?

6 A. No.

7 Q. Okay. The next entry is
8 "Controlled substance monitoring leads."

9 Do you see that?

10 A. That's what it states, yeah.

11 Q. Is there any type of report or --
12 that you get or that you have the ability to
13 generate that would to be a controlled substance
14 monitoring lead?

15 A. Not that I can think of.

16 Q. Does that entry mean anything to
17 you?

18 A. No.

19 Q. Okay. The next is "Electronic
20 prescribing of controlled substances lead."

21 Do you see that?

22 A. I see that.

23 Q. Does that mean anything to you?

24 A. No.

1 Q. Is that a report you've ever seen
2 or utilized?

3 A. No.

4 Q. The next entry is, "Prescription
5 drug monitoring program as mandated by the
6 state."

7 Do you see that?

8 A. Yes.

9 Q. Okay. And Ohio has a prescription
10 drug monitoring program, correct?

11 A. I don't know.

12 Q. Okay. You ever have any
13 interaction whatsoever with the OARRS system,
14 O-A-R-R-S?

15 A. I know of the system, but I have
16 never even seen it on a screen or looked at it.
17 I don't have access to it.

18 Q. Okay. Have you ever received
19 reports that were generated from OARRS, that
20 you're aware of?

21 A. No.

22 Q. Next one is, "Checking of patient
23 photo identification as mandated by the state."

24 Do you see that?

1 A. I see that.

2 Q. Do you ever get involved in
3 verifying identifications of patients who have
4 prescriptions filled?

5 A. No.

6 Q. The next one says, "Physical
7 security opportunities."

8 Do you see that?

9 A. I do see that.

10 Q. Do you know what's being
11 referenced there?

12 A. Physical security is the safes,
13 the cameras, those controls in place.

14 Q. And that's something that's --
15 that is a part of your duties that you --

16 A. I would assess the need for that.

17 Q. Okay. Then the last entry there
18 is the, "Pain management focus on compliance
19 survey," and I think we looked at that earlier
20 and that was something you've never seen or had
21 any involvement with before, correct?

22 A. I've never had any involvement,
23 yeah.

24 Q. Okay. If you flip to the page

1 that ends 463. Do you see another similar
2 spreadsheet?

3 A. Yes.

4 Q. And, again, in the top left-hand
5 corner you see it says, "DLPM" -- district loss
6 prevention manager -- "goal performance rating
7 guidelines"?

8 A. Yes.

9 Q. Okay. The performance goal here
10 states, "Assist market district community and
11 store level leadership with direction,
12 coordination and implementation of plans for
13 increasing sales and reducing loss through
14 improved high risk product availability,
15 guidelines with an emphasis on medium level
16 solutions."

17 Do you see that?

18 A. Yes.

19 Q. Do you understand what's being
20 referred to there?

21 A. Yes. That's all on front end
22 product.

23 Q. Okay. That's not related to the
24 pharmacy or controlled substances?

1 A. No.

2 Q. And I think it goes on to the next
3 page also, if you want to look at that real
4 quick and make sure your answer is the same.

5 A. Product -- yeah. This has all
6 been in connection with and associated with our
7 front end merchandise.

8 Q. Okay. None of that on that chart
9 there has to do with the pharmacy or controlled
10 substances whatsoever, correct?

11 A. Not to how I would apply it on my
12 knowledge of it.

13 Q. Okay. And as far as it relates to
14 controlled substances at Walgreens stores, the
15 entire time that your -- you've been to
16 Walgreens, your only duty or responsibility that
17 you've had with those controlled substances has
18 been monitoring to determine whether or not
19 you're having any internal loss or theft of
20 those products?

21 A. Correct.

22 MR. GADDY: Okay. That's all that
23 I have for you right now, Ms. Zaccaro.

24 THE WITNESS: Thank you.

1 MR. LEVINE: This is Mark Levine,
2 attorney for Walgreens. Ms. Zaccaro, I
3 have a few follow-up questions for you.

4 THE WITNESS: Okay.

5 - - -

6 REDIRECT EXAMINATION

7 BY MR. LEVINE:

8 Q. First, I want you to look at
9 Exhibit 22. That's the exhibit that Plaintiffs'
10 counsel has just been going through with you.
11 There are -- it appears to be a collection of
12 documents, e-mails and spreadsheets. If you go
13 a little further, you'll see there's some
14 handwritten notes there.

15 Do you see the handwritten notes?

16 A. Yes.

17 Q. Do you have any idea how this sort
18 of document marked as Exhibit 22 was compiled?

19 A. I have no knowledge of how this
20 was compiled.

21 Q. Have you ever seen this document
22 before?

23 A. Not to my recollection, no.

24 Q. And then you were shown the second

1 page of the document, the one that ends 451, and
2 that's an e-mail from a Megan Eicker to Ed
3 Svihra dated August 31, 2012, right?

4 A. Yes.

5 Q. Okay. And the very first page
6 there after it says -- or the first line,
7 "Greetings Ed," and then it says, "You've been
8 designated as the goal-setting task force lead
9 for the drug diversion performance goal. Below
10 are your designated team members as well as some
11 initial ideas from recent leadership meetings."

12 Do you see that?

13 A. Yes.

14 Q. And then what's attached is a
15 spreadsheet called "Goal setting template,"
16 right?

17 A. Yes.

18 Q. And then if you go back to the
19 first page, that's -- of Exhibit 22 -- that's a
20 spreadsheet with "Goal Performance Rating
21 Guidelines," right?

22 A. Yes.

23 Q. Do you have any idea whether the
24 goal performance rating guidelines on the first

1 page of Exhibit 22 that Plaintiffs' counsel went
2 through with you were ever instituted at
3 Walgreens?

4 A. I don't recall.

5 Q. Do you remember anyone ever
6 telling you that your -- the goals you had to
7 meet as a loss prevention manager were the goals
8 set forth -- included the goals set forth on the
9 first page of Exhibit 22?

10 A. No, I don't.

11 Q. I want you to look -- thank you.
12 I want you to look at a different document now.

13 A. Okay.

14 Q. Exhibit 17.

15 A. Okay. Yes.

16 Q. Exhibit 17, at the bottom of that
17 page, there's an e-mail from a Matt Soder to
18 RxIntegrity with a cc to Matt Soder.

19 Do you see that?

20 A. Yes.

21 Q. And this is -- relates to this
22 controlled substance order quantity override
23 form; is that right?

24 A. Yes.

1 Q. It lists -- in that first e-mail
2 from Matt Soder, it lists your address as the
3 DLP e-mail address. What is "DLP"?

4 A. It would be district loss
5 prevention.

6 Q. And were you the district loss
7 prevention manager for that store?

8 A. During that time, yes.

9 Q. That's store -- is that store
10 6574?

11 A. Yes.

12 Q. Is there any indication on the
13 e-mail that the -- that is a request for an
14 override form actually went to you?

15 A. Excuse me? I'm sorry.

16 Q. Is -- this information -- let's go
17 back. The information -- it lists also an
18 address for a DM. Is that a district manager?

19 A. Yes.

20 Q. That's John Lucchetti?

21 A. Yes.

22 Q. So Mr. Lucchetti's e-mail address
23 and your e-mail address, is that information
24 that relates to the store just like the address

1 for the store or the phone number is information
2 related to the store?

3 A. Yes.

4 Q. Is there any indication in
5 Exhibit 17 that Matt Soder's e-mail about a
6 controlled substance order quantity override
7 form went to you?

8 A. No.

9 Q. Did you even receive this e-mail?

10 A. No, I did not.

11 Q. Have you ever seen a controlled
12 substance order quantity override form before?

13 A. I have never.

14 Q. Okay. You can put that aside.

15 I want to talk a little bit about
16 people being unconscious in bathrooms or parking
17 lots at Walgreens. Do you recall you testified
18 about that?

19 A. Yes.

20 Q. Do you know how often that happens
21 in Walgreens in the parts of Ohio that you're
22 responsible for on an annual basis?

23 A. I couldn't put a number to it.

24 It's not every day. It's maybe once or twice a

1 month.

2 Q. Do you know how many of those were
3 opioid overdoses as opposed to heart attacks or
4 other medical conditions?

5 A. I do not know how many were opioid
6 overdoses.

7 Q. Thank you.

8 You were also asked about training
9 or education that you received or you didn't
10 receive.

11 Do you recall that?

12 A. Yes.

13 Q. I think you were asked questions
14 about whether you received training or education
15 on opioid deaths or opioid overdoses.

16 Do you recall that?

17 A. Yes.

18 Q. Do you expect to get training on
19 opioid deaths or opioid overdoses in your role?

20 MR. GADDY: Objection to form.

21 A. I would not expect to get that
22 training.

23 Q. Why not?

24 A. My area is losses with theft,

1 shrink.

2 Q. Let's talk about theft by store
3 employees. I believe you testified that you saw
4 five or six cases per year of pharmacists or
5 technicians stealing drugs in your -- in the
6 stores that you're responsible for; is that
7 right?

8 A. Correct.

9 Q. Is that any kind of prescription
10 drug or just opioids?

11 A. Any kind of prescription drug.

12 Q. Is the number for opioids smaller?

13 MR. GADDY: Objection. Form.

14 A. I don't know.

15 Q. Well, are all the -- for -- in
16 your experience, is it more common to find the
17 pharmacist stealing drugs or the technician
18 stealing drugs?

19 A. Tech --

20 MR. GADDY: Objection. Form.

21 A. Sorry.

22 Technicians.

23 Q. How common is it to find -- in
24 your experience, for the stores that you're

1 responsible for, to find a pharmacist that's
2 stolen prescription drugs?

3 MR. GADDY: Objection. Form.

4 A. Over the course of 12 years, I can
5 recall off the top of my head three pharmacists.

6 Q. For all the stores you're
7 responsible for?

8 A. Yes.

9 Q. Is there any reason it's more
10 difficult to detect a pharmacist stealing drugs
11 as opposed to a technician or someone else?

12 A. They would have more access to
13 doing overrides, ordering, and telling me
14 information and details.

15 Q. How does that allow pharmacists to
16 avoid detection?

17 A. I'm sorry. What was the question?

18 Q. How could a -- why is it more --
19 why is it tougher to see if a pharmacist is
20 stealing drugs as opposed to a technician?

21 A. They have the ability to hide it
22 in the systems. They --

23 Q. What systems are you talking
24 about?

1 A. Our inventory management systems,
2 adjustment systems.

3 Q. I want to ask you about a
4 particular pharmacist. Are you familiar with
5 someone named [REDACTED]?

6 A. I am.

7 Q. Who is he?

8 A. He was the pharmacy manager at
9 location in our Macedonia store, 7719 I believe
10 is the store number.

11 Q. Is that Macedonia, Ohio?

12 A. Correct.

13 Q. Does [REDACTED] still work at
14 Walgreens?

15 A. He does not.

16 Q. What happened to him?

17 A. After we were alerted of an
18 overdose of drugs for a suicide attempt, and as
19 we received information, he had -- come to find
20 out, he was self-medicating with some
21 alprazolams and antidepressants. He -- then
22 there was a random drug test at the store and
23 Jeff knew he was going to test positive without
24 a legitimate prescription.

1 He then -- come to find out
2 later -- took two at home drug tests, stole that
3 from the store to take the test to make sure he
4 knew -- or what he suspected was going to be the
5 positive results from his drug tests. And once
6 he figured that out, he stole -- oh, I think it
7 was five or six bottles of oxycodone and took
8 them home that night and ingested three full
9 bottles of oxycodone.

10 Q. Was that part of the suicide
11 attempt?

12 A. That was the suicide attempt.

13 Q. Did he succeed?

14 A. He did not.

15 Q. Was he terminated by Walgreens?

16 A. He was.

17 Q. For what?

18 A. Theft.

19 Q. Did you -- after [REDACTED]
20 suicide attempt, did you investigate what
21 happened?

22 A. Yes.

23 Q. Is that how you became aware of
24 the drugs that he took and the theft?

1 A. Yes.

2 Q. Did you receive a signed voluntary
3 statement from [REDACTED]?

4 MR. GADDY: Objection. Form.
5 Leading.

6 A. I did receive a signed voluntary
7 written statement from him, and I also had a
8 verbal admission from him during the course of
9 my interview.

10 Q. All right. So did you interview
11 [REDACTED]?

12 A. I did.

13 Q. Was anyone else there with you
14 during the interview?

15 A. The pharmacy manager at the
16 time -- or I'm sorry. Pharmacy supervisor would
17 have been Jaime Whited. Jaime was there.

18 Q. Did you -- do you typically
19 perform interviews of people when theft is
20 suspected?

21 A. Yes.

22 Q. Is that part of the ordinary
23 course of your job at Walgreens?

24 A. Yes.

1 Q. And is it typical in your
2 interviews to have the person that you're
3 talking to make a voluntary statement where
4 they're willing to?

5 A. Everybody is offered that
6 opportunity.

7 Q. And did you offer that opportunity
8 to [REDACTED] ski?

9 A. I did.

10 Q. And did he take advantage of that
11 opportunity?

12 A. He did.

13 Q. And is that voluntary statement
14 from [REDACTED] something you obtained in the
15 ordinary course of your business at Walgreens?

16 A. Yes, it was.

17 Q. And did you sign that voluntary
18 statement?

19 A. I did.

20 Q. And to your knowledge, based on
21 what you learned in your investigation, how many
22 times did [REDACTED] steal opioids from
23 Walgreens?

24 A. That was the only time.

1 Q. One time?

2 A. One time.

3 Q. And what was -- what use did he
4 make of those opioids?

5 A. It was the suicide attempt.

6 MR. LEVINE: Nothing further.

7 - - -

8 RECROSS-EXAMINATION

9 BY MR. GADDY:

10 Q. Ms. Zaccaro, as a district loss
11 prevention manager, does it matter to you
12 whether or not the person doing or committing
13 the theft is a pharmacy technician or the
14 pharmacist?

15 A. It doesn't matter to me? It all
16 matters to me.

17 Q. You're concerned with all theft,
18 correct?

19 A. I'm concerned with all theft. I'm
20 probably just a little bit more disappointed
21 when it becomes the pharmacist.

22 Q. But certainly --

23 A. They work very hard for that.

24 Q. Certainly it's a serious

1 occurrence and something that Walgreens takes
2 seriously if a pharmacy technician is
3 stealing --

4 A. Yes.

5 Q. -- controlled substance, correct?

6 A. Yes.

7 Q. And it's absolutely something
8 that's serious and something that Walgreens
9 takes seriously if a pharmacist is stealing
10 controlled substances, correct?

11 A. Yes.

12 Q. Okay. And I think, as you said,
13 about five to six times a year you're involved
14 in investigations that result in arrests of
15 either a pharmacist or a pharmacy technician
16 who's been stealing controlled substances?

17 A. My investigations haven't just
18 been about controlled substances. I -- we have
19 thefts of all kinds of drugs in the pharmacies.
20 I had an investigation for birth control pills.
21 Sometimes they're just taking what they need.

22 Q. Okay. And those investigations
23 have been, I think you said, on average about
24 five to six a year in which you've had

1 investigations into pharmacists or pharmacy
2 technicians related to their theft?

3 A. Yes.

4 Q. Okay. The incident that you just
5 talked about with your counsel is not the only
6 incident of controlled substances being stolen
7 from your Walgreens store; is it?

8 A. That's correct.

9 Q. Okay. You were also asked by your
10 attorney about the override form.

11 Do you recall that?

12 A. Yes.

13 Q. I think that was Number 17 that's
14 still in front of you.

15 A. Oh, yes, yes. I was trying to
16 connect the dots where --

17 Q. I understand. No doubt that that
18 e-mail was sent from the pharmacy supervisor,
19 Mr. Soder, to the RxIntegrity division, correct?

20 A. Yes.

21 Q. If the RxIntegrity division were
22 to have had any questions or would have wanted
23 to check in with loss prevention, would they
24 have had your contact information based on that

1 e-mail?

2 A. Yes. It's available to them.

3 Q. Okay.

4 A. It's also not uncommon for forms
5 to auto populate all the information. I can't
6 speak to the form and how this was entered.

7 Q. Okay. Well, whoever generated
8 that form thought that it would be appropriate
9 to have your contact information in there,
10 correct?

11 MR. LEVINE: Objection to form.

12 A. I don't know.

13 Q. Okay. In all the time that you've
14 been at Walgreens, has anybody from RxIntegrity
15 ever reached out to you to ask for additional
16 information about any of these override
17 requests?

18 A. Not to my recollection, no.

19 Q. Okay. And the last thing I'll ask
20 you about are the individuals that have been
21 passed out or unconscious in the Walgreens'
22 bathrooms and the Walgreens' parking lots.

23 A. Yes.

24 Q. I know you told us earlier that

1 you were told by some of the pharmacy
2 supervisors or pharmacy managers that some of
3 those people had overdosed.

4 Do you recall that?

5 A. It would have been store managers.

6 Q. Okay.

7 A. Pharmacy managers aren't always
8 aware of it. Sometimes the store manager will
9 be the first to get the information and call
10 paramedics.

11 Q. Okay. And I think like we
12 covered, your -- you don't spend most of your
13 time in any particular store. You're on the
14 road a lot and working out of your office, which
15 is not a Walgreens store, correct?

16 A. Correct.

17 Q. Okay. But you're not changing the
18 testimony that you gave earlier that what you've
19 been told by pharmacy managers or store managers
20 is that from time to time people overdose in
21 Walgreens' bathrooms and Walgreens' parking
22 lots, correct?

23 MR. LEVINE: Objection to form.

24 A. They're not always relating them

1 and associating them to overdose. I -- my own
2 opinion is I think there's an assumption when
3 paramedics come and start administering the
4 naloxone and Narcan, it is those professionals
5 and experts who can identify what an overdose
6 victim does or does not look like.

7 So to know it was an opioid
8 overdose, my store managers I think make the
9 assumption, more than anything. Again, I
10 haven't seen it directly. I can only say that I
11 receive alerts from our security operations
12 center that are reported as unconscious person
13 found.

14 Q. Okay. And regardless, you get
15 these alerts, I think you said, a couple times a
16 month indicating there's been an unconscious
17 person found either in a Walgreens' bathroom or
18 a Walgreens' parking lot and oftentimes these
19 people are administered Narcan when the
20 paramedics --

21 A. I don't know if they're
22 administered Narcan always. I just get the
23 alerts that an unconscious person was observed.

24 Q. Okay. And you get those alerts

1 from your stores throughout your area here in
2 Ohio?

3 A. It covers my region. So ...

4 Q. Okay. Which includes Cleveland,
5 correct?

6 A. Yes.

7 MR. GADDY: Okay. That's all I
8 have.

9 - - -

10 FURTHER REDIRECT EXAMINATION

11 BY MR. LEVINE:

12 Q. These people that were found
13 unconscious in bathrooms or parking lots where
14 there have been overdoses, do you know whether
15 the overdoses are from prescription opioids or
16 other prescription drugs or illegal drugs such
17 as heroin?

18 A. So a lot of the comments, again,
19 that managers will make in the assumed overdose
20 is always with needles and believed to be with
21 heroin.

22 MR. LEVINE: Nothing further.

23 - - -

24 FURTHER RECROSS-EXAMINATION

1 BY MR. GADDY:

2 Q. I'd asked you earlier today about
3 whether or not there were issues with needles in
4 Walgreens' bathrooms or parking lots, and I
5 thought you told me you'd never heard of that
6 before. Did I -- maybe I asked a bad question.

7 A. Well, I didn't see any like that
8 before.

9 Q. Okay. But you definitely heard
10 reports of needles in Walgreens' bathrooms or
11 parking lots?

12 A. Managers have said that there's
13 needles that they find out in their parking
14 lots. I thought you were referring to me
15 witnessing it and knowing and seeing it.

16 Q. Okay. No. Fair clarification.

17 A. I'm sorry.

18 Q. No. Thank you.

19 MR. LEVINE: All done?

20 Reserve signature.

21 THE VIDEOGRAPHER: Off the record,

22 2:29.

23 (Signature not waived.)

24 - - -

1 Thereupon, at 2:29 p.m., on Wednesday,
2 January 16, 2019, the deposition was concluded.

3 - - -

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 CERTIFICATE

2 STATE OF OHIO :

SS:

3 COUNTY OF _____:

4

5 I, LAURIE A. ZACCARO, do hereby certify that

6 I have read the foregoing transcript of my

7 cross-examination given on January 16, 2019; that

8 together with the correction page attached hereto

9 noting changes in form or substance, if any, it is

10 true and correct.

11

LAURIE A. ZACCARO

12

13 I do hereby certify that the foregoing

14 transcript of the cross-examination of LAURIE A.

15 ZACCARO was submitted to the witness for reading and

16 signing; that after she had stated to the undersigned

17 Notary Public that she had read and examined her

18 cross-examination, she signed the same in my presence

19 on the _____ day of _____, 2019.

20

21 NOTARY PUBLIC - STATE OF OHIO

22

23 My Commission Expires:

24 _____, _____.

CERTIFICATE

STATE OF OHIO

:

SS:

COUNTY OF FRANKLIN :

I, Carol A. Kirk, a Registered Merit Reporter and Notary Public in and for the State of Ohio, duly commissioned and qualified, do hereby certify that the within-named LAURIE A. ZACCARO was by me first duly sworn to testify to the truth, the whole truth, and nothing but the truth in the cause aforesaid; that the deposition then given by her was by me reduced to stenotype in the presence of said witness; that the foregoing is a true and correct transcript of the deposition so given by her; that the deposition was taken at the time and place in the caption specified and was completed without adjournment; and that I am in no way related to or employed by any attorney or party hereto or financially interested in the action; and I am not, nor is the court reporting firm with which I am affiliated, under a contract as defined in Civil Rule 28(D).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Columbus, Ohio on this 21st day of January 2019.

CAROL A. KIRK, RMR

NOTARY PUBLIC - STATE OF OHIO

My Commission Expires: April 9, 2022.

- - -

1 DEPOSITION ERRATA SHEET

2 I, LAURIE A. ZACCARO, have read the transcript
of my deposition taken on the 16th day of January,
3 2019, or the same has been read to me. I request that
the following changes be entered upon the record for
4 the reasons so indicated. I have signed the signature
page and authorize you to attach the same to the
5 original transcript

6 Page Line Correction or Change and Reason:

7	_____	_____	_____
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	_____	_____	_____
13	_____	_____	_____
14	_____	_____	_____
15	_____	_____	_____
16	_____	_____	_____
17	_____	_____	_____
18	_____	_____	_____
19	_____	_____	_____
20	_____	_____	_____
21	_____	_____	_____
22	_____	_____	_____
23	_____	_____	_____
24	Date _____	Signature _____	